The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, JANUARY 21, 1933 VOLUME 63, NUMBER 8

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The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 63 | Shanghai, China, Saturday, January 21, 1933 | Number 8

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE
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THE SELFISH SIDE OF THE MOVE TO FREE THE PHILIPPINES

THE great trouble with the movement to give freedom to the Philippines is that the motives for doing it are not pure, and there are indications that the Filipinos themselves will in the end refuse to accept the independence plan in the form that it has been so suddenly and unexpectedly handed to them. The bill provides for independence within ten years, with various "strings" attached in the meantime. President Hoover vetoed the bill on Friday, the thirteenth of January, and the House of Representatives promptly repassed it over his veto. In the meantime the Senate grappled with the measure, and President Hoover and Henry L. Stimson, Secretary of State, did everything they could to prevent the measure from passing, but to no avail; the Senate over-rode the veto Jan. 16. Secretary Stimson reiterated that withdrawal of the American forces from the Philippines would have an unsettling effect on the political thought of the various nations and races in the Orient. It may be mentioned in this connection that Senator Shortridge, Chairman of the Committee on Naval Affairs, stated in the Senate at Washington Jan. 16 that he had no fear that Japan would meddle with the Philippines and that he saw no reason why Japan should not set up a stable Government in Manchuria, but he was in favor of keeping the entire United States fleet on the Pacific, for if anything happened to disturb the world's peace, it would happen on the Pacific, and therefore, the American fleet, all of it, should remain on the Pacific Coast, where it is now, both as a matter of economy and as a matter or practical defence. Secretary Stimson, who it will be remembered, was formerly Governor General of the Philippines, says the real desire of the Philippines is for more local self-government, not a desire to cast off the protection and advantage of a connection with the United States. As a matter of fact the present move to give independence to the Philippines has its genesis in the United States and not in the Philippine Islands.

The *Review* would be the last journal in the world to place obstacles in the way of any race, people or nation who desire to stand on their own feet as equals in the family of nations. The innate desire of the Filipinos for independence has our sincere sympathy. However, when we delve below the surface of the present pre-

cipitate move towards freedom exhibited by the U. S. Congress we wonder what it is all about. The present move to "get rid of" the Philippines on the part of the United States can hardly be said to have had its impetus in the desire to do justice to the Islands. On the contrary the independence movement in the United States has been the result of a selfish combination of three otherwise opposing interests, namely capitalists, labor unions and farmers. The capitalistic class is mainly represented by the sugar interests, who aim to oust free Filipino sugar from the American market; the American labor unions wish to keep the Filipino laborers from coming freely to the United States, as they may now do as wards of the nation; and the American farmers hope to benefit from keeping out various Filipino agricultural products, among these being large quantities of cocoanut oil.

The Japanese undoubtedly approve of the move to free the Philippines. For colonization purposes the Philippines are undoubtedly much more attractive than Manchuria. Many things can happen between now and a decade hence, which is the term which the present proposed independence measure provides—for it is to be remembered that the bill which the U. S. Congress has passed over the veto merely puts the matter up to the Philippines Legislature, and recent telegrams from Manila show that the Filipinos themselves are not satisfied with the bill —but the almost inevitable result of complete independence for the Philippines will eventually be that the Japanese will dominate the Islands politically and that the Chinese will dominate them commercially—the former contingency being at present prevented by the U. S. Navy and the latter by the American immigration laws.

SOVIET RUTHLESSNESS

THE Soviets are trying an experiment with the hope of improving conditions among their own people first and the rest of the world afterwards, and if in the process of trying to achieve that object they inflict various cruelties on many innocent people they are doing merely the same things as were incidental to revolutionary movements throughout the world generally, since the dawn of creation. The idea was never better expressed than by Madame Roland during French Revolutionary days when in her immortal apostrophe she said, "Oh Liberty, what crimes are committed in thy name!" What follows is therefore not to be taken as an indictment of the Soviets, but merely as a relation of facts, duly to be taken into consideration when evaluating the pros and cons of the Soviet regime.

Soviet methods were recently brought to public attention once more by a protest which was forwarded last week by the Far Eastern United Committee of Siberian Organizations to Mr. Ariyoshi, Japanese Minister to China, in which it is alleged that it is a Soviet practice when securing extradition from Japan of Russians who had escaped from Soviet territory to throw them into the sea from the Soviet steamer on which they are being taken as soon as the steamer gets out of Japanese territorial waters. The full protest, as published by *Reuter*, is as follows:

Sir,—According to reliable information received by us from Japan, five Russian families, unable to stand any longer the conditions of slavery and oppression prevailing now in Russia and generally known as a communist régime, tried to escape from the Russian part of the Shakhalin island. They crossed the boundary line and entered into the Japanese controlled part of the island, where they were arrested by the local Japanese authorities and handed over to the Soviet State Administration Police (G. P. U.) by whom they were subsequently brutally murdered.

About the middle of October a party of 21 Russians escaped on board small fishing boats from the concentration camp in the Slietlaia Bay, situated near the "Imperial Bay," and, after great hardship at sea, succeeded in reaching Hokkaido Island. Shortly afterwards another party of nine Russians who early in November of last year crossed the Tartar Straits in fishing boats, reached Japan, thus making a total of 30 men.

We are now in possession of reliable information to the effect that all these unfortunate men, who have not committed any crime either in Russia or in Japan, were also arrested by the Japanese authorities and handed over to the Soviet Consul at Hokkaido to be kept in his custody. Latest advices received also show that these unfortunates were also formally handed over to the Soviet authorities. The Japanese police are well aware that all these men were thrown overboard from the Soviet steamer, as soon as the latter left Japanese territorial waters.

Common international law, which has become sacred to all civilised nations by unanimous adherence to it during the past several centuries, as both your Excellency and the Government you represent are aware, strictly provides that no political refugee should be handed over to a respective government, provided he respects the laws of the country which has sheltered him. There are, however, special reasons why this generally recognised common law should be the more strictly applied to refugees from Russia and these reasons may be easily found in the peculiarity of the present régime established in Russia, which denies the Russian population not only political and civil, but even the inborn natural rights of a man. The above consideration may be further strengthened by the fact that the so-called communist régime in Russia is a direct result of the World War in which Japan also participated and the fruits of which she is enjoying at present.

It was therefore, only natural for us to expect the Japanese Government strictly to adhere to the above mentioned international practice of all civilised nations by refusing to hand over the Russian refugees who can in no way be considered as criminals. In this connection we have respectfully to remind your Excellency that in the past the Japanese Government always refused to extradite to the Russian Government any political refugees, who were given shelter and freedom in Japan, even though they were carrying on revolutionary propaganda against the then Russian Imperial Government.

There is, certainly, no doubt that the common international law, referred to above, has, as any other common law, only moral sanctions for its fulfilment. And here we are therefore, being faced with a fact which is somewhat hard to understand. The Japanese people have evolved Bushido, a moral code of the highest value, which is being strictly followed by every Japanese citizen. We fail to understand why the rules of this moral code are not applicable to the persecuted Russians seeking shelter in Japan? Why is one not allowed to attack a defenceless person, to molest a woman or a child, but is, on the other-hand, justified in giving them up for murder?

We cannot at present enter into the discussion of the possible reasons of this obvious contradiction, but, in the face of hard facts, we, the Far Eastern United Committee of Siberian organisations, have the honor respectfully to request your Excellency to report to your government our emphatic protest against the inhuman treatment of Russian refugees, who cannot be too great a burden to your state in

temporarily entering Japanese territory as the first stage in their endeavor to find suitable shelter and work.

We should be greatly obliged if you would kindly consent to submit to the Japanese Imperial Government our respectful request to reconsider this practice, which appears to have been definitely adopted by the Japanese administration. If, however, this is impossible in view of the existence of some kind of agreement with the Soviet Government, it would be only fair if the Japanese Government made it known so that any other intending refugees from Russia could thus be prevented from entering Japanese territory. We are certain that your Government is aware of what is well known to the Japanese Police, that all refugees, if extradited by the Japanese Government to the Soviet Government, are being thrown overboard as soon as any Soviet steamer, taking them away, leaves Japanese territorial waters.

♣

Soviet Russia in common with nearly every other country has its financial problems, and because of the firm control which the Communist organization has over the destinies of the country it is able to enforce financial policies somewhat in "advance" of most other countries. By the simple process of forbidding, or trying to forbid, either the export or import of its own currency, and holding the rouble fictitiously at a value of about 51 gold cents — which is its supposed value — a stage has been reached where "bootlegged" rubles can be bought in other countries at a tithe of the their supposed value and persons who can get them into Russia without being caught can make a percentage of profit many times greater than by running liquor into the United States or opium into China. The actual figures in Shanghai money are: Cost of 10 Chervonetz (Rubles 100) of actual paper in most any Chinese "exchange" shop, three to five Chinese dollars; cost of draft for Rubles 100 through the official Soviet bank, $263.80 (Chinese). Foreign currencies, or foreign credits—"valuta" as they are called in the Russian vernacular—have therefore a great attraction for the Soviet regime. The following is one method the Soviets have of getting such valuta, according to the December 12 issue of *Time*:

VISAS AT A PRICE

No matter how much they may have wanted to leave Russia, Soviet citizens have had to stay home and work for their State. Exit visas have simply not been issued, except to a few privileged persons (mostly members of the Communist Party) for "reasons of State." Aged relatives in Russia of "White Russians" abroad have been especially treasured by the Soviet Government as likely to receive remittances in valuta (foreign money) which is needed for the Five-Year Plan. Grant such people an exit visa? Not likely!

Abruptly last week the unlikely happened, as it often does in Moscow, Dictator Josef Stalin, whose State is now harder pressed than ever for valuta, decided to stop hoarding Russians, offered in effect to sell them out of Russia for cash (valuta).

Hereafter the equivalent of U.S. $250 in any foreign currency will buy a Russian "worker's" visa. Russians of "other classes" (former kulaks, bourgeoisie, aristocrats) will be let off for $500 each "to reside abroad permanently."

A thousand or a million or a billion rubles (nominally worth 51 gold cents each) will not buy an exit visa; and of course Russians in Russia cannot earn valuta, can earn only rubles. Thus the new decree means that to leave his country a Russian will have to appeal to people outside for foreign money, virtual "head money" paid to the Soviet State for his release.

Gold is now so scarce in Russia that a recent decree forbids its use in teeth.

NON-AGGRESSION PACTS

THE importance of the Soviet communique printed in another column of this issue of *The Review*, giving a summary of the negotiations between the Soviet Government and Japan having in view the possible signing of a non-aggression pact between the two countries lies in the fact that it reveals that the Japanese tried to make use of the negotiations as a club to induce the Soviets to recognize the status of a Japan-dominated Manchuria. What Japan proposed was a Japano-Soviet-Manchukuo Committee "for the prevention of frontier incidents." Naturally enough, Manchukuo could not take part in such an arrangement unless its status as an "independent" country were recognized. The answer of the Soviets was that they were "ready to study and discuss" such a proposal. There, for the moment, the Soviet-Japanese negotiations in this respect will probably rest. It may be taken for granted that in due course somewhat similar negotiations will be opened between China and Soviet Russia, negotiations that will undoubtedly be watched by the Japanese Government with a jealous eye. It will be remembered that when the announcement was made several weeks ago that China and Soviet Russia had resumed relations, the reaction of the Japanese Government was most unfriendly. Just as the very sinew and bone of any possible agreement on the part of the Japanese to a non-aggression pact with Soviet Russia was Japan's insistence on Soviet Russia recognizing the new status of Manchukuo so will undoubtedly the very essence of such a possible non-aggression pact between China and Soviet Russia be that the latter shall recognize Manchuria as an integral part of China. In any negotiations that China may have with the Soviets looking towards the signing of such a non-aggression pact the Chinese will probably be on the constant *qui vive* against any move on the part of the Soviets to extend their propaganda in this country. It is indeed somewhat of an anomaly that at the very moment that the Chinese Government is engaged in an active campaign to suppress Communists there are indications of an increasing closer working together between China and the country where Communism is the strongest. However, just as in internal matters it is an axiom that politics make strange bed-fellows, so it is often the case in international politics, and if both China and Soviet Russia recognize mutually, as they probably will, that their internal affairs are their own concern and not that of their neighbors', there is no reason why the two countries should not work harmoniously together in opposing any country or combination of countries against whom they have a common cause.

The Trend Towards Currency Inflation in the United States

A powerful drive for cheaper money is in progress at Washington, D. C., according to recent advices. Thirty members of the House of Representatives are in favor of a plan for the issue of three billion dollars more currency, but other groups advance other theories. Some suggest decreasing the legal amount of gold in the dollar and others again wish to remonetize silver on the old basis of 16 to 1 advocated by W. J. Bryan. The Senate has also before it demands for currency inflation in some form. Among others, Senator Wheeler of Montana in the course of a fllibuster against the banking bill, is threatening to block all legislation unless some action is taken in the direction of currency inflation.

Where Jehol Stands in the General Japanese Program

LET us first of all try to get fixed clearly in our minds the Japanese point of view in this whole Far Eastern business, and particularly as it applies to Jehol at the present moment. Don't make any mistake about it, Jehol is already a part of Manchukuo in Japanese eyes. A spokesman of the Tokyo War Office made that clear in a statement end of last week, thus merely clinching formally a fact which has been evident for some time. According to *Reuter*, the Japanese War Office spokesman said,

> "Jehol is an integral part of Manchukuo, and a punitive expedition against its lawless elements is Manchukuo's internal affair which admits of no outside interference. Jehol is one of the former northeastern four provinces and is inseparable from the other three. When Manchukuo declared its independence it made clear that Jehol is part and parcel of Manchukuo. The Lytton Commission was also told that the Great Wall forms the border of Manchukuo."

So, there you have it: Japan, through its puppet creation, Manchukuo, has the title to Jehol. For the moment a "squatter" is in possession and the problem before Japan is the most expedient way to get him out. Out he will have to get, that's certain, but if we (the Japanese) can "jockey" him out so much the better, but if we can't, then:

> "We don't want to fight: but, by Jingo, if we do,
> We've got the ships, we've got the men, and got the money too."

—this latter, it may be incidentally mentioned, being a popular music hall refrain when England was on the point of joining in the Russo-Turkish war in 1877. Japan, it is true, is a little short of money, but so are many other nations, and a little thing like that isn't going to put a spoke into the Japanese military machine—not any more than it did into that of Imperial Germany; not until the internal storm broke loose.

Mr. Matsuoka, the Japanese delegate at Geneva, keeps on interspersing pronunciamientos on behalf of his government to the effect that it is a matter of no consequence to Japan whether she remains in the League of Nations or not, with hints that the world in general had better leave its hands off Japan or there will be a fearful explosion; incidentally, at convenient moments dropping into a religious mood, somewhat on the same principle that the South Manchuria railway's organ at Dairen quotes a daily scripture verse. Mr. Matsuoka's reference several weeks back to Japan possibly being crucified, and comparing such an eventuality with the Crucifixion of the founder of the Christian religion, was really a gem. Mr. Matsuoka shares with General Araki, the Japanese Minister of War, the idea of "trusting in God" with a view to demonstrating the Japanese spirit. In this they differ decidedly from the Soviet leaders, who seemingly wish to abolish God entirely.

In the meantime let us get our minds back to Jehol. The weather has been a bit chilly up that way of late—Shanghai got the tail end of it during the past week and had an inkling of what the northern winter is like—and so there is, from the Japanese point of view, no reason to be precipitate in sending an army up into those regions, where it is evident—unlike was the case in Mukden and vicinity during the autumn and winter of year before last—Chang Hsueh-liang's forces and the forces of other generals assisting them will undoubtedly put up a strong defense. Side by side with underground attempts to get some of the Chinese generals to turn traitor, the Japanese are, however, calmly preparing for the eventual "push" into the Jehol area, carefully preparing the necessary excuse by constantly reiterating the supposed fact that Chang Hsueh-liang's troops are adopting a menacing attitude—and as a matter of fact there is probably more truth in this apparent Japanese propaganda than the Japanese themselves like to admit.

***

However, the really important thing for those interested in world movements to keep in mind is that the attack on Mukden, the forcing of the pace in Manchuria, the proposed invasion of Jehol, and the possible occupation of Peiping, are but part of the general Japanese plan to "replace White imperialism with Japanese imperialism in the Far East"—this being the expressed aim of Japan on the authority of no less a personage than General Araki, Japanese Minister of War (see article in another part of this issue of *The Review*, entitled "Japan's Mission as General Araki Sees It.") If in the process of changing the kind of Imperialism that is to prevail in Asia, Japan steps rather hardly on the toes of some of its neighbors, that is merely incidental to the general plan. In the end Japan hopes that all the other "oppressed peoples" of Asia will praise and bless her for taking the lead in removing once and for all the various Western flags now flying at various points in this part of the world.

It cannot be reiterated too often that the Japanese program is just that very thing. In all her moves, overt or covert, that is the object in view. While she gains with one hand terrain and trade for herself, she hopes with the other to gain prestige in the eyes of the Filipinos, the Malays, the Indians, the Annamites—yes, and also the Chinese. The movement started with the ousting of Imperial Russia from South Manchuria, was continued by the expulsion of Imperial Germany from Kiaochow and has been given a tremendous fillip by the moves during the past year or so, moves which comprise a practical defiance of the whole Western world. For many years Japan was able to gain prestige for itself among other Asiatic nations by having been able to "jockey" the United States into entering into a gentleman's agreement whereby Japan herself would undertake to prevent her people emigrating to the United States, whereas the people

of other Asiatic countries were kept out by the United States herself. That was another kind of a "special position," which ought never to have been accorded to Japan. It came to an end several years back when the then Japanese Ambassador to the United States began talking about "grave consequences" in connection with the then pending immigration bill. The result was that the U. S. Senate adopted a firm attitude and Japan was placed on the same footing in the eyes of the United States as were other Asiatic countries—which ought to have been the policy in the first place, this quite regardless of the fact that the policy of the United States in discriminating against Asiatics in general is undoubtedly a mistaken one.

The proceedings at Geneva seem to indicate all too clearly that the various European nations, particularly those having interests in the Far East, all hope that by placating Japan at the present time they will be able to safeguard their own possessions all the longer. Past history, however, has shown that this is a fatuous hope. Japan fought Russia to get her out of Manchuria and ten years later was an ally with Russia in getting the Germans out of Tsingtao. Japan will be ready to join with any Western nation or any combination of Western nations at any time to oust any other Western nation from the Far East, just as gladly ousting the British out of Hongkong, as the French from Indo-China, or the Dutch out of the East Indies—and of course also the Americans out of the Philippines, if by that time America has not given up the Islands voluntarily. It will not be at all beyond the bounds of probability that historians, say fifty years from now, reviewing Japan's operations in this part of the world, will record the fact that Japan, however ruthless she may have been in the course of her maneuvers and however selfish may have been her motives, deserves the thanks of all Far Eastern people for ousting the last vestige of Western domination in Asia. Some future Macaulay may paraphrase the lines about the New Zealander who viewed the ruins of St. Paul's from London Bridge, by describing how a Samoan viewed the wrecks of Western domination on the Asiatic coast while standing on the Nihonbashi in Tokyo. Certain it is that the longer Western nations procrastinate in meeting the Japanese challenge the shorter will be the period of Western influence in this part of the world.

G. W. M.

Chinese Protest While League Continues Its Policy of Drift

THE current negotiations at Geneva concerning the Manchurian incident have been a repetition of those which have gone on for over a year. In general terms, the situation is that the leading spirits of the League wish to placate Japan and with this end in view are doing everything possible to avoid any definite action being taken. The general Chinese policy has been to try to force action, so far without success, but recently becoming more insistent than ever. For the moment the Committee of Nineteen is wrestling with the problem of making certain modifications in a pending draft resolution. *Reuter's* correspondent at Geneva in a message dated Jan. 15 put the situation neatly thus: "It is apparently the intention of Sir Eric Drummond (Secretary-General of the League) first to reach bases for a compromise with Japan before obtaining the Chinese views on the subject." That such is the case was made evident in a letter sent by Dr. W. W. Yen, Chinese delegate to M. Hymans, Chairman of the Committee, in which he (Yen) pointed out that the Chinese delegates had not received any copies of the proposed modifications. Dr. Yen pointed out that the Chinese Government attached much importance to the amendments submitted on December 26, the draft resolution and the statement of reasons; the Chinese delegation therefore learned with concern that modifications had been introduced.

The Japanese Foreign Office, it was indicated in a *Rengo* telegram from Tokyo, would send the following instructions to its delegate at Geneva:

> As the Drummond formula has not been presented to the Assembly, it has no legal foundation, but substantially it forms the basis of the First Draft Resolution. The Japanese delegation should, therefore, strongly insist on the revision of any points in the formula likely to endanger Japan's contentions.
>
> Full opposition should be made against any move for inviting America and Russia, as such action has no legal foundation in the League Covenant.
>
> The sub-committee should have no right whatever to settle the dispute, and should be made to respect direct negotiations between China and Japan in the capacity of an observer.
>
> Lastly, reliance on the first eight chapters of the Lytton Report and the adoption of the ten principles in the Ninth Chapter as a means of settlement should be modified so that the Report becomes only a work of reference.

Mark well, the Japanese position: The sub-committee has no right to settle the dispute, but must "respect" direct negotiations between China and Japan in the capacity of an observer; the Lytton Report to become only "a work of reference."

This being the situation, it was not surprising that the *Central Daily News*, the official newspaper at Nanking, in its issue of Jan. 16 declared that after one-and-a-half year's procrastination the Chinese people to-day demanded of the League a definite reply whether that body can or cannot settle the Sino-Japanese dispute. The League, it said, should have the courage to declare its position. The matter has come to the point where the Chinese people must know definitely where the League stands. During the past few months, the official organ declared, the Chinese people have suffered from headache whenever the name of the League has been mentioned. The Chinese Government, it said, had already received over one thousand petitions from public organisations urging them not to depend upon the League for a solution of the Manchurian problem. Extracts from the *News'* article follow:

"During the past one and a half years the League's accomplishments have amounted to nil. Last December, when Czecho-Slovakia, Spain, Ireland and Switzerland jointly submitted a resolution to the effect that (1) the Japanese military movements were not measures of self-defence, (2) Manchukuo had not been established by a voluntary independence movement, (3) recognition of Manchukuo violates international treaties, and (4) an invitation should be issued to the United States and Soviet Russia to participate, in the work of the Committee of Nineteen, owing to pressure from certain quarters the resolution was not adopted. It was merely forwarded to the Committee of Nineteen, which revised it so that it took a form in which it entirely lost its original provisions. In spite of the fact that Japanese troops have occupied Shanhaikwan and Chiumenkow, League circles continue to talk of conciliation. Conciliation is impossible, the paper concludes, unless (1) the League declares that Japan has violated the League Covenant, the Kellogg Pact, and the Nine-Power Treaty, (2) orders Japan to withdraw her troops and carry out the resolutions of the League, and (3) Manchukuo is dissolved, for the patience of the Chinese people has been tested to the limit and they can wait no longer."

***

The vernacular newspapers at Peiping have been particularly bitter concerning the course of the proceedings at Geneva. They generally accuse the League of Nations of evading the issue. "Knowing this, the Japanese have become more aggressive, wherefore it is no exaggeration to say that the League's procrastination has aggravated the situation during the past year," declares one paper. Japan is accused of resorting to "nineteenth century diplomacy" in a scheme for the annexation of Manchuria, while the League is characterised as a nominal world organisation, but actually an European union with Britain and France holding the whip hand and Sir John Simon and M. Paul Boncour making pro-Japanese speeches at Geneva.

The telegrams from Geneva at various times during the past week or two have referred to the situation either as "grave" or "brighter," by "grave" meaning that the Chinese were not willing to compromise, and by the latter term meaning that the Chinese might be inveigled into doing so. So far the Chinese have firmly held their ground. Although a *Reuter* telegram from Geneva spoke of an "ultimatum to both parties," and hinted that both parties (in the view of League circles) must accept the decision of the Committee of Nineteen on December 20, "or abide by the consequences" when one investigates what this means one learns that there is no danger of the League resorting to Article 16, which provides that under certain conditions such and such an act shall constitute a declaration of war, but merely that the next step will be a move by the League to proceed under Paragraph 4 Article 15 of the League Covenant, which provides for the preparation of a report!—evidently another one, although one of the telegrams mentioned that the British view was that the most obvious material for such a further report was the Lytton Report itself. The telegrams from Geneva carefully point out that the Committee of Nineteen must first declare its failure at conciliation to the Assembly before a committee can be instructed to proceed with drafting such a report. And as it is a foregone conclusion that the "conciliation" attempts are doomed to failure, it is evident that a weary world is to have inflicted upon it another report on the Manchurian situation.

The reaction in Nanking has been, among other things, that Dr. Lo Wen-kan, Minister of Foreign Affairs, declared in an interview Jan. 17, "Should the League of Nations attempt to impose on China that which she cannot accept, then the Chinese delegates in Geneva will certainly be instructed to remain firm and resolute." The Foreign Minister expressed disappointment over the weakness and procrastination of the Committee, adding,

> "At the end of last year the Chinese government had occasion to express its dissatisfaction with the draft resolution and Expose de Motif, and to propose certain amendments. Since then the Japanese, taking advantage of the adjournment of the League, have attacked Shanhaikwan and Chiumenkow, in preparation for the invasion of Jehol. Their warlike activities have simultaneously threatened peace in the Peking and Tientsin areas.
>
> "In view of this aggressive line of action as pursued by Japan it would seem that the League should have admitted forthwith the impossibility of conciliation and proceeded with the adoption of some effective and decisive measures to check the progress of Japanese violence. Unfortunately, however, the League not only failed to take this logical step, but actually revised and emasculated without consulting the Chinese delegation, the draft resolutions of last December, in order to satisfy the Japanese as if the resolutions once agreed to by Japan would be accepted by the Chinese government as a matter of course. China will not accept any resolutions contrary to the principles repeatedly declared by the Chinese Government. The Chinese government strongly believes that the League will not act in such a way as to ignore its position as an instrument to world peace, and to abandon itself to the wishes of an aggressor."

The U. S. Department of State was quoted in a recent telegram from Washington as expressing the opinion that it considered attempts at conciliation by the League between China and Japan as futile. The State Department, it was stated, does not intend to intervene in what it considered a League problem and reiterated that it regarded a policy of non-intervention as most important on the eve of the reconsideration of the problem by the League. The United States Government has instructed its representatives in London, Paris and Geneva to reaffirm previous declarations to the effect that American policy is non-recognition of any situation reached by means contrary to the Kellogg Pact—such as that in Manchuria as it exists at present, for example.

New Japanese Party Plans to Impeach Saito Cabinet

The National Union (Kokumin Domi), under the leadership of Kenzo Adachi, may attempt to impeach the government of Viscount M. Saito in the 64th session of the Diet upon its reopening on January 21. Mr. Adachi explained part of the party's policy against the government at the inauguration ceremony of the Osaka Branch of the union in Tokyo, Jan. 16. Mr. Adachi's new party will probably attack the government with regard to the sale of rice, alleging graft in connection with the engineering works originally aimed at the relief of the farmers and smaller merchants.

Both Chinese and Japanese Prepare for Clash in Jehol

ONE of the ominious signs in connection with the Japanese intentions regarding Jehol is that the press ban was lifted several days ago on the kidnapping case of Genshiro Ishimoto, liaison officer of the Kwantung army, who is alleged to have been captured on July 16 by Chinese Volunteers led by Li Hai-feng in the vicinity of Peipiao in Jehol. According to Japanese reports, all efforts made by both Japanese and Manchukuo authorities to effect the Ishimoto's release have so far proved futile and he is still being detained in the walled town of Chaoyang in Jehol Province. After Ishimoto had been kidnapped, Major Yoshika, of the Japanese garrison at Chinchow, proceeded to Peipiao on July 19, were General Shao Tzu-feng gave assurance that General Tang Yu-lin, Chairman of the Jehol provincial government, would endeavor to set free the prisoner and, assuming responsibility for the case, would tender an apology to the Japanese authorities. The Jehol authorities immediately approached Li Hai-feng with a view to securing Ishimoto's release, but Li is said to have demanded in return that General Tang Yu-lin pay him $1,000,000 and that his Volunteers be incorporated into the regular Jehol army. This led to a complete deadlock in the negotiations and thereupon Major Yoshioka, tried to negotiate directly with Li Hai-feng, but in vain.

Another ominous sign was that the Japanese War Office issued a statement in Tokyo Jan. 17 characterizing the reports of the imminence of a war between China and Japan as "pure Chinese propaganda intended for both internal and international consumption." The statement went on to express confidence that the Chinese have no intention of "carrying out their threats," and it warned the Chinese of the danger of "resorting to such propagandist practices." Expressing the belief that the Chinese are "merely trying to scare the Western nations into the fear of a new world war if nothing is done to prevent a Sino-Japanese conflagration," the statement strongly denounced what it termed "such dangerous and irresponsible propaganda." It warned the Chinese that they may find themselves like a man who jokingly pointed a revolver and accidentally shot his friend because he thought the weapon was unloaded.

A *United Press* telegram from Nanking January 17, stated that it was considered certain in governmental circles there that a Japanese drive with Jehol as the prize is only a matter of time, and a short period at that. Leaders in Nanking expressed confidence that Marshal Chang Hsueh-liang would go through with his part of the defense program. The view was expressed in some quarters in Nanking that the Japanese War Ministry may attempt this time to extend the campaign with a view to forcing a complete Chinese capitulation. In that case, as one Government leader pointed out, the Yangtsze Valley may also he singled out by the Japanese for attack. There is no indication that the Nanking Government will send its own troops into the northern lines. With Marshal Chang's troops busy in the north, Nanking is keeping its eye on a possible coup by either the Christian general, Feng Yu-hsiang or General Yen Shi-shan, now in Shansi. Government leaders in Nanking are agreed that China's troops are not to allow themselves to be put into the position of aggressors against Japan, thus endangering the country's case before the League of Nations, but all agree that a Japanese drive will be the signal for "trouble." The one great hope for Nanking is that there may be international complications.

Some of the preliminaries to the impending clash in Jehol are listed below:

More than 500 plain-clothes gunmen equipped with bombs have been dispatched by Gen. Chang Hsueh-liang to the Liaosi area (Fengtien) to create disturbance behind the Japanese lines, according to a report circulated among Japanese in Mukden Jan. 16. Three groups of Chinese volunteers, each of 1,000 to 1,500 men, were also attempting to break through the Japanese position behind Shanhaikwan in order to attack the Japanese around Shanhaikwan from both flanks. It is also reported that the military authorities of Kuangtung, Kuangsi, and Fukien Provinces have decided to send a joint force to the north to assist in resistance against the Japanese invasion. The proposed expeditionary forces are to be composed of picked troops from the various South-Western units.

Concurrently Japanese troops now at Chaoyangsen and Liaonin are increasing daily. The main forces of the Chinese troops in Jehol are stationed at Liaoyuan, maintaining communication with other Chinese troops at Chaoyang, Pingchuang, Chifeng and Kailu.

Japanese airplanes bombed Kailuhsien, Jehol Province, Jan. 16, according to reports from Mukden. Marshal Chang Hsueh-liang's regular troops and Chinese Volunteers in and around that city are estimated at more than 50,000. An order was believed to have been issued by Marshal Chang to launch an attack on Tungliao and Taonan immediately, and some of the concentrated Chinese troops started an eastward movement on January 15. They are under the command of Generals Teng Wen, Feng Chan-hai, and Tsui Hsing-wu, Volunteer commanders. Upon receiving this report Japanese dispatched planes and bombed the Chinese near the Jehol border. The Japanese planes then flew over Kailu and dropped more bombs on the Chinese Volunteer headquarters there.

It was reported in Japanese circles in Tientsin Jan. 17 that Marshal Chang Hsueh-liang issued a secret order to Gen. Ho Chu-kuo, the Chinese garrison commander at Shanhaikwan, the previous day to refrain from any challenging attitude against the Japanese during the present session of the League of Nations. Marshal Chang urged General Ho to remain in his present position at Shanhaikwan unless the Japanese take the offensive.

According to a Chinese report 20 officers of the 19th Route Army, which fought against the Japanese Army and Navy force at Shanghai last

year, have arrived at Chinwangtao. They are commanding the Chinese defenders at the front together with 30 students of the Military College who had previously arrived there.

A *United Press* telegram from Peking Jan. 17 stated that Gen. Sung Che-yuen has started to transport the main force of his army, which had until recently been stationing at Yangchuan, One-half of this unit, estimated around 8,000 has arrived at Tungchow, on the outskirts of Peking, and it is reported that they are now moving northward on foot from Tungchow.

The Ministry of Communications at Nanking received a telegram Jan. 17 from Chinese postal employees at Shanhaikwan reporting that the Japanese military are attempting to seize the Chinese post office. The telegram added that all previous attempts at seizure had been resisted.

584 Chinese Soldiers Died at Shanhaikwan

Five hundred and eighty Chinese soldiers were killed in the fighting at Shanhaikwan, a recent Nanking telegram stated. More than 90 Chinese officers and soldiers are under treatment at the Peining Hospital at Shanhaikwan.

America Not to Make Representations to Japan Concerning Shanhaikwan

Because it is felt that the British representations to Japan following the events at Shanhaikwan are sufficient, it is announced from Washington, that the U. S. Department does not contemplate making representations to Japan similar to those made by the British Ambassador, Sir Francis Lindley.

The extension of the Japanese occupation to the Tientsin-Peiping area would, however, be viewed with concern by the American government, according to the Washington correspondent of the *New York Times*.

Szechuan General Ready to Fight Japanese

Fighting in the province of Szechuan has definitely ceased, according to a telegram received end of last week at Nanking from General Liu Wen-hui, Chairman of the Szechuan Provincial Government, reporting on the cessation of hostilities. General Liu tendered resignation from his concurrent post as Chairman of the Szechuan Provincial Government. He declared that he is ready to lead his troops to north China to resist the Japanese invasion.

Chinese Troop Movements in Direction of Luanchow

According to a *Rengo* telegram from Peiping, Jan. 16. Over 5,000 men and 16 field pieces belonging to General Shang Chen passed through Fengtai Station between the night of January 14 and afternoon, in the direction of Luanchow. Another body of 1,000 men of the 84th Division left in the direction of Hanku and Taoshan.

To fill the gap in the Peking area, Marshal Chang Hsueh-liang has recalled from among the troops at the front lines six companies of the North-eastern Light Brigade and the motor-car corps.

At the same time, Sun Tien-yin's troops have been transferred from the Lung-hai Line to the Tientsin-Peking area, while similar movements are seen among Hsu Yuan-chuan's forces, which had until lately been stationed along the Peiping-Hankow line.

Mohammedan Rising Reported in Sinkiang

A Soviet dispatch received from Istanbul reports a serious Mohammedan uprising in the Turfan region of the Chinese province of Sinkiang. It is stated that the rebel forces are well-armed and are now advancing on Urumchi to the north, which is not far from the border of Outer Mongolia.

According to the dispatch, the rebel forces have effected a junction with the Mongolians of Karashar in the extreme north of the province and have also connected themselves with the Mohammedan population in the regions adjacent in Tibet and the Indian frontier.

This uprising must be considered as definitely connected with the operations of the Tibetan troops who invaded Szechwan province. The Soviet view is that interested imperialist countries are endeavoring to utilize the present moment to set up in Sinkiang a Mohammedan state hostile to China, which would be dependent upon them and which would serve as a buffer between the U.S.S.R. and China in the northwest just as Manchukuo does in the northeast.

It is generally known that the recent years have seen intense British activity in Sinkiang, particularly in the regions of the present reported uprising, where there have taken place a number of "scientific" and other expeditions, directly participated in by Lieut. Colonel Reginald C. F. Schomberg, a retired British Army officer.

Chinese Citizen's Association Urges Severance of Diplomatic Relations with Japan

Immediate severance of diplomatic relations with Japan was urged by the Citizens' Association of the Special District of Shanghai, in a telegram to the Executive Yuan, Jan. 14.

Declaring that local resistance against Japanese aggressions would not solve the present situation, the message stated that the whole nation now advocates war while local press circles favor "severance of diplomatic relations to unify the boycott, and troop mobilization to unify resistance."

American Quakers Urge Conciliation on China and Japan

Moral suasion and mutual conciliation is urged in an open letter from the American Friends (Quakers) Service Committee addressed to China and Japan, last week appealing for a settlement of their outstanding differences.

One Reason Japan Alleges for Taking Manchuria

In the course of an article which purported to give reasons why the League and the World should uphold the newly-created National Manchuria, the *Japan Times*, Japanese propaganda organ, Jan. 9 stated:

"No man was free before September of 1931, in Manchuria. The war-lords parcelled out the country to feudal chiefs, and *squeeze* was the password. Farmers were forced to surrender their crops in exchange for paper money of doubtful value. This produce was sold abroad for gold. The country was bled white. Opportunities for the development of the country by outside capital were put aside. Manchuria, naturally rich, was made unnaturally poor.

Brother of Henry Pu-yi Alleged to Be Plotting in Peiping

Rumors were current in Peiping end of last week that Pu Wei, brother-in-law of Henry Pu Yi, Chief Executive of the Manchukuo Government, had secretly crept into Peiping earlier in the week and was planning the expected political change in North China by getting in touch with ex-officials of the Ching Dynasty and others connected with the Imperial Household of the former regime.

Officials of the Peiping Bureau of Public Safety were said to be doing their best to locate Pu Wei's hiding place. Leading articles in the Peiping Chinese papers advocated the speedy arrest of Pu Wei. Said papers alleged that he was hiding in a certain foreign house in the Legation Quarter.

Japanese Warships Did Not Interfere with Yangtsze Fort Gun Practice

Responsible military officials at Nanking Jan. 13 denied press reports that Japanese warships had obstructed recent gunnery practices at the Yangtsze forts, which they say were carried out smoothly according to schedule. It is thought possible that the reports were due to the incident at Chinkiang on January 6 when three Japanese war vessels, sailing downstream from Nanking and being unaware of the gunnery practice at Chinkiang forts, approached within firing range. A Chinese gunboat immediately signalled the Japanese vessels asking them to stop, which they did at once. Subsequently the Commander of the Chinese gunboat boarded one of the Japanese vessels in order to explain. The Japanese commanders, it was reported, expressed their appreciation of his action.

Reported Capture of Anti-Manchukuo General

General Ma Chan-shan, the hero of Nonni River Bridge, at present interned in Soviet Russia, is anxious to return to China, and, according to a recent Nanking telegram, has asked the Government to expedite arrangements for his early departure. It is reported that the forces formerly under General Ma's command, totalling about 50,000, have already reached Jehol from North Manchuria via Mongolia. These forces have been temporarily placed under the command of General Shao Ping-shan, one of General Ma's ablest lieutenants.

Wu Huan-chang, personal representative of General Ma, arrived in Nanking Jan. 12 to submit a report to the Government on behalf of General Ma, and to arrange for General Ma's forces to co-operate with the Jehol forces in resisting the Japanese.

Japanese telegrams claim that General Wang Teh-lin, a prominent anti-Manchukuo leader, has fled into Soviet territory with 600 of his men and several light guns, crossing the eastern border of Manchuria at a point 10 miles south of Tungning. On reaching Soviet territory General Wang and his men were disarmed and interned, according to the Japanese report. Chinese telegrams deny the capture.

General Ting Chao, one of the few remaining powerful anti-Manchukuo commanders in Manchuria, was captured by Japanese troops Jan. 13. It is believed that he was on his way to Soviet territory when he was caught. While a few miles south of Paotsing, he found himself surrounded by Japanese detachments from Kiamusze and Fuchin and, after unsuccessfully attempting to escape, General Ting Chao and his staff surrendered. Negotiations are now in progress to get the captured General to co-operate with the Japanese.

General Su Ping-wen and those of his troops who crossed into Soviet territory when the Japanese made their drive on Tsitsihar are still interned at Tomsk, according to Mr. Smirnoff, the Soviet Consul at Manchuli, in a recent interview.

The Chinese press in Peiping reported Jan. 16 that General Li Tu, who recently was driven across the border of Manchuria, has also arrived at Tomsk with General Su Ping-wen.

Reports were also current in Peiping during the week that the Nanking Foreign Office intended to forward $200,000 to Moscow to facilitate the return of General Su Ping-wen and his men to China in order to take the field again against the Japanese.

National Government to Launch Campaign Against "Reds" in Kiangsi

A decisive battle is expected to take place shortly near Kwangchan and Chienning, two Communist strongholds on the Kiangsi-Fukien border. Upon receipt of information that Government troops were making preparations for an intensive campaign in Kiangsi against communist armies and that General Chiang Kai-shek was planning to proceed to Nanchang, personally to direct military operations, the Communist military authorities in that region decided to occupy certain strategic centers and to attack Government positions before the Government troops completed their concentration program.

Their objective was to capture Chinning, Taining and Lichuan. The First Red army corps formed the main force, or central route, while the 22nd Red Army under Lo Pin-hui was the right route army, and the Third Red Army corps formed the left route army. The Fifth Red army corps was the reserve army. Fan Shu-teh was appointed in charge of transportation and supplies.

The Communist offensive resulted in the capture of Chinning and Lichuan, but their victory was short-lived. The Government 8th Division under General Mao Pin-wen immediately advanced towards Lichuan where, after a sharp engagement, drove the Red Third Army Corps from the city and recaptured the town. For this important success, General Ho Ying-ching, Minister of War, immediately telegraphed to General Mao commending the latter highly for the capture of Lichuan. After their reverses at Lichuan, the communist armies are digging in along a front extending from Chienning to Kwangchen and have concentrated their finest military units there to defend that position.

France to "Manchurianize" Syria

Under the heading "The Manchurianization of Syria" Moscow *Pravda* published a special dispatch from Constantinople Jan. 10, stating that the French High Comissioner for Syria had presented to the Syrian authorities and parliament the draft of an agreement by which the relations between France and Syria are to be regulated on a new basis. The eight clauses of the proposed treaty are as follows:

1.—Syria will be proclaimed an independent country.

2.—Syria will refund to France all expenses incurred by the latter in connection with and during the French occupation of the country.

3.—All technical advisors and military instructors to be employed by the Syrian Government must he French.

4.—The military defence of the country's borders will remain under the direction of France but at the expense of Syria.

5.—As a guarantee Syria turns over to France all her customs-houses.

6.—Syria will have the right to send and maintain representatives abroad with the consent of France.

7.—Syria will not be permitted to conclude with foreign countries any agreement for which the permission has not been granted by France.

8.—Three years after the conclusion of this treaty France will take steps to get Syria admitted to the League of Nations.

"Bandits" Now Loom in Persia Also

Cabling from London, the correspondent of the *New York Times* asserts there is a possibility of an "explosion" in Persia similar to that in Manchuria because of the strained situation that has arisen following the Persian government's cancellation of the D'Arcy oil concession. "Britain, like Japan in Manchuria," the correspondent states, "has a peculiar 'Monroe Doctrine' in regard to Persia, Afghanistan and Egypt. Apparently Britain had Persia in mind when she made reservations to the Kellogg Pact in respect of certain regions that were stated to be of 'special interest' from the point of view of the safety of the British Empire." Continuing, the correspondent states that following the annulment of the D'Arcy concession, reports alleging a "growth of banditry" in the Persian oil region of Abandan were circulated abroad from Baghdad.

Hongkong to Observe Neutrality in Sino-Japanese Dispute

A public proclamation prohibiting patriotic activities on the part of Chinese residents has been issued by the Government of Hongkong.

The British Government being neutral in the Sino-Japanese dispute, the proclamation declares that public solicitation of funds in Hongkong for the purchase of war materials, and other activities in connection with the present hostilities, constitute violation of British neutrality and will not be tolerated. Severe punishment will be meted out to offenders.

China Protests Against Unlawful Use of Boxer Protocol

The Chinese Government has despatched an identical memorandum to the Governments of the United States, Great Britain, France, Italy, Belgium, Spain, and the Netherlands, calling their attention to the fact that, taking unlawful advantage of the special privileges claimed under the protocol of 1901 to which the above-named Governments are signatory parties, Japanese troops attacked and occupied the city of Shanhaikwan, slaughtered thousands of peaceful Chinese citizens and inflicted considerable damage to property, and are further concentrating in large numbers near Shanhaikwan and along the Peiping-Liaoning Railway. The memorandum declares that under the circumstances the Chinese Government cannot assume responsibility for any situation, in law or in fact, which may result from the exercise by Chinese defensive forces of the legitimate right of resisting the aggressive actions of the Japanese troops.

Japanese Government Strictly Controls Foreign Exchange

The Japanese Department of Finance has now completed the draft Bill for control of exchange. It will shortly be referred to a Cabinet Council and with its approval, submitted to the Diet immediately after its re-opening.

The new Exchange Control Law will supersede the Flight of Capital Prevention Law. The new Law will not, however, be much different from the existing regulation. One prominent feature is that while the existing Law enumerates the objects of Government action the new Exchange Control Law confers on the Government authority power to take any necessary measure not only for the prevention of an escape of exchange but for other purposes. This clause will run, it is understood, as follows:

"The Government may prohibit or restrict, by virtue of Departmental Orders, the sale and purchase of foreign currency and exchange, remittances to foreign countries, deposits and loans in foreign currency, sale and purchase of securities (bonds, debentures and shares) and other claims in foreign currency, and any action granting credits on imports."

Another salient feature is the Government authority to exercise, without issuing Departmental Orders, control of exports without drafts and centralise exchange transactions into the Bank of Japan and the Yokohama Specie Bank.

The new Exchange Control Law, comprising about eight clauses, is thus simple, but broad in its scope. For the actual working of the Law, the Department of Finance will issue a Departmental Order. This Departmental Order will be generally on the following lines:

1. As the Flight of Capital Prevention Law will be retained in reality as part of the new Exchange Control Law, all that has been stipulated in the past will remain in force.

2. With the existing Flight of Capital Prevention Law, a successful surveillance of exports without drafts can hardly be hoped for. The new Law will exercise strict control of such exports. All traders, in the Department Order, will be ordered to make reports and dispose of the proceeds at its instruction.

There are two or three other measures which the Finance authorities wish to incorporate in the Departmental Order, but it is understood that these measures are such as can be taken under the existing regulation.

Though it has apparently no intention of carrying them out at this moment, the Japanese Government can take the following measures in case of necessity:

a. Restriction of exchange transactions, *e.g.* restriction or prohibition of forward covers by export and import houses, inter-bank transactions, transactions between banks and merchant houses (or indviduals), etc. to halt speculation.

b. Centralization of exchange transactions to the Bank of Japan and the Yokohama Specie Bank by either restricting or prohibiting imports and exports unless accompanied by the Bank of Japan's certificate for the completion of exchange covers.

c. Prohibition of exchange transactions except at the official rate of exchange.

The Law, in short, will enable the Japanese Government to adopt practically all the restrictions at present exercised by other nations in controlling exchange.

Execution of Singapore Youth Postponed at Hongkong

Cheng Kwok-yau, the son of a Singapore millionaire, who was found guilty of procuring the murder of George Fung, son of a leading Chinese resident of Hongkong, last September, was to have been executed in Hongkong this week but a last-minute petition to the Governor by prominent Chinese against the death sentence, has temporarily been successful.

Love and jealousy were the central motives of the crime for Cheng is alleged to have had Fung murdered for having alienated the affections of Miss Lai Ming-fai, a movie star, Fung, who was killed by a shot in the back, was taking a walk with Miss Lai when he met his death.

The parties concerned in the case are all well-known, and the family of the condemned man spared no expense in fighting the charge against him.

Allegations of Usury Against the China Finance Corp.

Counsel for the China Finance Corp. (Shanghai) did his best in the U. S. Court for China Jan. 16, in the hearing of the case brought by G. P. Tkachenko, Russian restaurant proprietor for damages, to prevent the latter's counsel from making certain references to alleged facts, which the Finance Co.'s attorney characterized as "filibustering for the edification of the Press." Judge Purdy, however, decided that the plaintff's attorney might continue his arguments.

The bill of complaint comprises two items: for an order requiring the defendant firm to make full discovery of the nature of several loan transactions, and for the delivery and cancellation of certain notes and mortgage.

Counsel for Mr. Tkachenko reiterated allegations that the defendant had charged petitioner in respect of several loan transactions, amounting to Tls. 40,000, excessive, usurious, illegal and unconscionable interest at the rate of 45 per cent. per annum.; that several notes and mortgage were drawn by the defendant in favor of a British firm named the Finance Banking Corp. Ltd.; and that defendant induced and tricked petitioner by artifice and fraud into signing these notes and mortgage drawn in favor of the British corporation.

The bill of complaint other things alleges: That G. P. Tkachenko, the petititioner, during the period from the latter part of 1930 until on or about the first day of August, 1932, borrowed at various times large sums of money from defendant, giving defendant as security for repayment his promissory notes and mortgages on the assets and good-will of the restaurant business. The loans were made successively to appear as separate and independent transactions, but were in fact, except the first, renewals of loan, each renewal comprising payment of an unpaid balance owing on previous loans and an additional advance of money. That on or about August 28, 1932, petitioner executed and delivered to defendant a series of negotiable promissory notes, secured by a mortgage on the physical assets and good-will of his aforesaid business, in a total sum of Tls. 41,858.20 as he supposed in favor of defendant, in payment of an unpaid balance due on previous loans and for an additional advance of money, but petitioner has since learned, and avers, that said notes and mortgage were drawn by defendant in favor of a British corporation named the Finance Banking Corporation Limited, and that defendant, taking advantage of petitioner's confidence in it induced by the usual course of their previous dealings, and of petitioner's lack of knowledge of the English language, tricked petitioner by artifice and fraud into signing said notes and mortgage drawn in favor of the Finance Banking Corporation Limited as aforesaid.

Chinese Protest Against French Radio Station in Shanghai

On the plea that the existence of the French Wireless Station in French Concession is an encroachment on China's sovereignty, the Ministry of Foreign Affairs is reported to have been requested by the Ministry of Communications to open negotiations with the French Authorities for its demolition. According to the Chinese plea, this wireless station was established in 1914 without the consent of the Chinese authorities. It was first erected in the French Park for commercial purposes and reporting Far Eastern affairs, but has been removed to Rue Frelupt, and is now fully equipped for long and short distance transmission extending to Europe and America.

As the result of a protest lodged by the Chinese delegate at The Hague during the International Telegraph Conference in 1929, the French authorities stopped for a while, the broadcasting of reports, it was stated. But this has been resumed since the outbreak of the Sino-Japanese hostilities in Shanghai early last year.

Japan and China Said to Be Buying War Supplies in United States

According to a recent *Reuter* telegram from San Francisco, Japan and China are both sending gold there. The message states that China is purchasing war materials, especially airplanes, in America, while Japan is buying mostly cotton and scrap iron for the manufacture of munitions.

China Goes into the Lottery Business

To the Editor, *The China Weekly Review*:—

It is with somewhat mixed feelings that I read that China is going into the lottery business. As a resident of a sister Republic I wish to point out that such lotteries are absolutely forbidden by American law, and the use of the mails for any purpose connected with lotteries—tickets, advertisements, announcements of results, etc., is strictly barred. Under no circumstances may the United States as a nation or any single State engage in a lottery for the purpose of raising money, no matter how beneficent the purpose may be. Close on to a half century ago the state of Louisiana piled up for itself considerable ignominy by conducting such a lottery, but this was eventually squelched by national laws. A former Confederate veteran, General Beauregard, was in charge of the drawings.

Shanghai, Jan. 16, 1933. AN AMERICAN.

Asia Is the Most Stable Trade Area in the World

(Extract from Circular Letter Issued by National Foreign Trade Council, N. Y.)

Trade conditions in Asia during 1932 were somewhat better than in the world in general, in spite of the fall of the Japanese yen and of continued disorder in China. Our own exports to the Asiatic countries were only 5 per cent less in volume than those for 1931, the most favorable showing of American exports anywhere in the world. The exports of Asiatic countries were also more nearly normal than elsewhere, and it is significant that taking a long sight from 1913, Asia's exports were at the end of 1931 about 28 per cent more in volume than those before the war. Slightly more than half of that surplus disappeared in the decreases of this year, but when it is considered that the average trade loss for the world from its 1913 export volume up to the end of 1932 is 18 per cent, Asia's balance in her favor assumes a real importance. American export volume has suffered less than the world average in decrease from 1913 but is still about 15 per cent below the 1913 export volume.

Japanese Animosity Against Marshal Chang Hsueh-liang

(By H. G. W. Woodhead in the "Shanghai Evening Post")

It seems high time that Japanese statesmen should curb the animosity of their militarists towards Marshal Chang Hsueh-liang, and moderate the policy of their country sufficiently to give the moderate and responsible elements in the Nanking Government legitimate grounds for refraining from actual warfare. Wang Ching-wei, who was quoted earlier in the week in the sense I have already mentioned, has since published a statement to the effect that Japan's recent actions compel the Chinese people to fight "in the interests of peace based on righteousness and justice." And he has asked with good reason whether "once the furies of war are set free will they be confined to China and Japan?" Even if they can be, the results must be so disastrous to China that it will take her decades to recover therefrom. It is difficult to believe that the Japanese Government itself can contemplate with equanimity the consequences to China of provocation carried to an extent which compels the Chinese Government to fight. It can derive no possible benefit from plunging this huge country into chaos, and wrecking all the constructive work that has been achieved, in spite of an unstable administration, during the past few years. Self-interest should induce Japan, even if she remains adamant on the independence of Manchukuo, to refrain from extending the conflict into China Proper.

One Killed, Four Injured in Kailan Mine Fight

According to Chinese press reports peace has been restored between the Paoting and Tamingfu miners of the Kailan Mining Administration at Tongshan as a result of the mediation of local officials and the Miners' Union.

The trouble started on January 4 when a clash occurred between the members of the two factions in a Chinese theater patronized by Paotingfu miners. This was followed by open warfare in which over 1,000 miners are said to have participated. Both sides used clubs, swords and spears freely. One miner was killed and four were seriously wounded.

Chinese Merchants Recommend Revival of Boycott

The Greater Shanghai Chamber of Commerce has again taken the lead for revival of the economic boycott against the Japanese.

In a circular communication to the various commercial and industrial guilds in Shanghai, the Chamber urges that steps be taken for the strict enforcement of the boycott resolution adopted at a general meeting of the Chamber held in September, 1931, following the Japanese occupation of Shenyang (Mukden).

The Chamber points out that there are only two weapons which the Chinese can employ effectively against the Volunteers and the economic boycott. It deplores the fact that despite the painful experiences of last spring—i.e., during the Japanese invasion of Shanghai—there has been such a relaxation in the boycott that the importation of Japanese goods into this port is reported to be on the increase. The Chamber declares that being the leading port of China, Shanghai ought to set an example to the rest of the country. Moreover, at the general meeting of the Chamber just referred to, all the guilds had pledged themselves to enforce the boycott. The Chamber urges therefore, that the various guilds should take steps to intensify the anti-Japanese boycott.

The Communication also quotes a letter from the Hunan National Salvation Association which claims that during the past few months, an average of over 50,000 bales of Japanese goods have been imported every week into the various ports along the Yangtsze River.

France as a Possible Source of Money for Japan

A recent *United Press* telegram from Paris in discussing the question of Japan's financial problems stated that two countries alone—France and the United States—are in a position to furnish Japan with the money she needs to continue her exploitation of Manchuria. A loan on the American market is considered out of question owing to the fact that the American public has enough of foreign investments for the time being and would be particularly unreceptive to a Japanese loan, quite apart from the fact that the American State Department would be able to block such a project.

The remaining Japanese hope is France, and Japan is believed to made have several attempts lately to secure French monetary aid in exchange for political and military counterparts of a vague nature.

Japan could offer France two things in exchange for financial aid: Strong support for French policies in Europe, particularly in regard to disarmament, and support for French colonial ambitions in the Far East. In connection with the latter point, it is believed that Japan would not object if France should care to extend the frontiers of French Indo-China by subduing the neighboring Chinese province of Yunnan. Such action by France would be in conformity with the Franco-Japanese treaty of 1907 and would correspond roughly to Japan's invasion of Manchuria.

However, the Herriot government is known to oppose at present, any foreign loans until the world-wide depression abates, and in the absence of governmental approval French bankers will naturally be loath to advance any funds. The present French government has not approved a single foreign loan.

Japan Goes Mad

(By W. V. Pennell, Editor of the "Peiping and Tientsin Times")

There is sardonic humor in the present crisis at Shanhaikuan. If the Chinese move to the "front" the large bodies of troops for which transportation has been provided, the Japanese will immediately shout with well-simulated wrath, exploit this pretext to the full, and embark bald-headed on their plan of intervention in China Proper. On the other hand, if the Chinese do nothing, the small force east of the Lan will be mopped up in the course of the ensuing "localisation" operations. The universal scepticism throughout the Press of the world shows how far the process of education has gone as a result of persistent repetition of a now familiar technique. Whatever else Japan may have gained, she has lost that most priceless possession of any first-class nation in our close-knit modern world. *She has lost her credit and is believed no more.* We do not regard that as a slight matter. A time will come when it will be rued.

Tokyo Refuses Soviet Proposal for Pact of Non-Aggression

The Tass News Agency released for publication Jan. 17 an official communique concerning Soviet-Japanese negotiations for a pact of mutual non-aggression. The text of the communique is printed below.

On December 13, 1932 the Japanese foreign office tendered to the Soviet Ambassador in Tokyo, M. Troyanovsky, in verbal form, the official Japanese answer to the proposal made by M. Litvinov on December 31, 1931, on behalf of the Soviet Government, to Mr. K. Yoshizawa, who was at that time returning to Tokyo from Moscow to take up the post of foreign minister. In the reply given to M. Troyanovsky the Japanese Government stated that there may be various views on the question as to a time which may be considered appropriate for the conclusion of a non-aggression pact. One of these views favored the conclusion of a non-aggression pact which would ensure the future settlement of various disputable questions between the two countries. Another, and reverse, view is that possible causes of controversy must first be eliminated and that only thereafter can such general questions as a non-aggression pact be examined. The Japanese Government, for its part, found that the time is not yet ripe for concluding a non-aggression pact and thought it preferable to proceed to a solution of the sundry questions in hand which affected the mutual relations of the two countries. The Japanese Government said it would prefer, for the present, to exchange views as to methods for the prevention and or peaceful regulation by local means of difficulties which might arise in consequence of the armed forces of the two countries coming into contact—for example, by the formation of a Japan-Soviet-Manchukuo Committee for the prevention of frontier incidents.

In reply to the statement of the Japanese Government, which thus declined the U.S.S.R. proposal for the conclusion of a Soviet-Japanese non-aggression pact, M. Troyanovsky submitted a verbal statement to the Japanese minister of foreign affairs on January 4, 1933, expressing therein the Soviet Government's full agreement with the first view mentioned above and noting with satisfaction that this view is shared by certain Japanese circles. The Soviet Government further expressed regret that the Japanese Government does not find it possible to adopt this view, but holds to the reverse view, the logical development of which leads unavoidably to a complete denial of the ideas underlying non-aggression pacts and a denial of the international renunciation of war as a means of solving controversies undertaken in the Kellogg-Briand Pact.

Disputable Frontier Not a Bar to Pact, Soviet Argues

"The Japanese Government," M. Troyanovsky said further, "evidently considers it fit and proper that states which have no differences should enter into pacts of non-aggression. But, given the present mutual economic and political dependence between peoples, such a situation can hardly exist or even be possible, especially as between states which are more or less close neighbors. Moreover, the solution of existing differences gives no guarantee that such differences will not re-arise in the future. States which concluded non-aggression pacts with the U.S.S.R., did not by such acts recognize an absence of any mutual differences or claims. The U.S.S.R. quite recently agreed to conclude a non-aggression pact with a neighboring state with which it has a disputable frontier and well-grounded territorial claims. In the opinion of the Soviet Government the sense of non-aggression pacts, as well as the Kellogg-Briand Pact, consists in this: that states, while recognizing the existence of differences or the possibility that differences may arise between them, renounce the settlement of such differences by forcible means. The Soviet Government, for its part, does not in any case find that there are differences between the U.S.S.R. and Japan which could not be settled or which it would refuse to settle by peaceful means. To deny that this is so would be to contradict the Kellogg-Briand Pact which the U.S.S.R. and Japan both signed. In offering to conclude a non-aggression pact with Japan, the Soviet Government in no sense ignored that international instrument, but only strove to reinforce it by a bi-lateral agreement, to extend it and adapt it to the special features inherent in the relations of the two countries."

M. Troyanovsky went on to state that the proposal of the Soviet Government was not motivated by present considerations, but was the outcome of its whole peaceful policy. It therefore remained in force for the future. Further, the Soviet Government expressed a doubt that the refusal of one of the parties to conclude a non-aggression pact could assist in creating a favorable atmosphere for the settlement of all differences and the resolving of misunderstandings.

The Soviet Government notes that the statement of the Japanese Government contained a verbal note that "Japan and the Soviet Union are mutually ready to scrupulously respect each other's sovereign rights and punctiliously refrain from the violation of each other's frontiers in any degree." It further expressed the assurance that given a strict observance of this obligation frontier incidents would arise no more than in the past, even with the temporary presence of Japanese forces near the Soviet frontier.

In conclusion the Soviet Government expresses its readiness to study and discuss the Japanese proposal for the formation of a Japan-Soviet-Manchukuo committee for the prevention of frontier incidents on the pattern of similar committees in which the Soviet Union participates with Rumania, Poland and other neighboring states.

The Liberty of the Press in China

(Extracts from an article by a Foreign Correspondent in "The People's Tribune," Jan. 16)

The comments of H. G. W. Woodhead on Chinese affairs have often been exceedingly acrimonious, and from the Chinese point of view very unfair, but it is hardly conceivable that any charge could be framed against him on that account in a British court, or that there is the slightest possibility of his being deported. In the case of Bronson Rea, whose paper, the *Far Eastern Review* has just been denied postal facilities, it is obvious that his activities have not infringed American law, otherwise he would long ago have been proceeded against in the local American court. It is significant that the only case where official Chinese representations have had much effect is that of Mr. Isaacs and the *China Forum*, where Mr. Isaacs' presumed communist sympathies made him persona non grata to his own as well as to the Chinese authorities. Here a threat was made, not of deportation, but of the withdrawal of extraterritorial privileges, but how far that threat could have been carried into execution remains doubtful in view of previous American rulings on the matter. ... By her actions in regard to Messrs. Sokolsky, Weale, Hallett Abend, and even Bronson Rea she lays herself open to the same charges of intolerance and tyranny as are levied against the Fascist regime, to the accusation of meeting criticism and misrepresentation, not by argument and an exposition of the real truth, but by suppression. The more, in fact, it is attempted to muzzle the foreign press the more suspicious onlookers become. China is often accused of being too thin-skinned in these matters and the accusation is not without a substratum of truth. She should be big enough to treat defamatory attacks with the contempt they deserve.

Shanhaikuan Postmen Show Great Bravery

(Extract from an editorial in "North China Mail," Jan. 9)

Once again in an emergency the China Postal Administration has come to the fore. Since the recent Shanhaikuan "incident" it was first of all anticipated that it would be impossible to deliver mail matter for Shanhaikuan, but the Chinese Postal Administration, with its usual forethought and the desire to serve the public, notwithstanding how difficult or dangerous the undertaking, is now taking Tientsin mails for Shanhaikuan by train as far as Chinwangtao and from thence, postal coolies carry them across the Shih river to Shanhaikuan. When one considers the many troubles which are now facing China, and the fact that postal communications are liable to be interrupted at the most unexpected moment either through internal strife, or the Japanese drive on Chang Hsueh-liang these postal coolies really take their lives in their own hands, but there has been no wavering, they are carrying out their duties to the Chinese and foreign public, irrespective of danger or difficulties, just as part of the day's work. It is a most commendable spirit.

The Shanhaikuan Affair and Marshal Chang Hsueh-liang's Dilemma

BY PAUL K. WHANG (汪仲芳)

THE peace and happiness of the New Year holidays were totally wrecked by the grave news from North China. Shanhaikuan, a border town inside the Great Wall and the gateway to Peiping and Tientsin from Manchuria, was demolished and occupied by the Japanese soldiers after brief fighting. For the first time in the past sixteen months, the regular soldiers under the banner of Marshal Chang Hsueh-liang managed to put up a gallant though futile resistance, and had to give up their position after they had been outnumbered and overwhelmed by the combined attacks of the Japanese land, naval and aerial forces.

It is a strange coincidence that the commanding officer of Chinese garrisons in the Shanhaikuan district, Gen. Hu Chu-kuo, is also a native son of Canton, the birth-place of the heroic defenders of Shanghai in the early part of 1932. The bloody battle at Shanhaikuan has eventually brought satisfaction to those who hitherto scoffed at the fighting ability of Marshal Chang's soldiers, and has also demonstrated to the world that the northern soldiers will give their lives for their country as readily as their southern brethren.

For months, the war clouds were gathering thick over the border of Manchuria and Hopei, and minor clashes between the two contending forces were frequent occurrences. Gen. Hu had to use great diplomacy to avert any unpleasant development in face of Japanese provocations. The fact that under the Protocol of 1901 China was forced to share strategic points in Shanhaikuan "with the enemy" has further complicated the situation and weakened China's defense. Therefore the credit must be given to Gen. Hu, who had been faced with a very difficult situation and who, in spite of his resignation at the end of last year as a result of criticisms on his policy of restraint, rushed to the front from Peiping by special train upon learning the news of the Japanese invasion and resumed the command without hesitation.

Invasion Should Cause No Surprise

To those who have watched carefully the Manchurian crisis, the present invasion should occasion no suprise, because it represents merely a further advance in carrying out the Japanese long cherished continental policy. But that this strategic town should be left practically unguarded in the hands of less than two thousand ill-equipped soldiers without any heavy artillery pieces is really something incomprehensible. From the military standpoint, Shanhaikuan is the gateway to North China, and its occupation by an enemy will expose Peiping and Tientsin to danger. If the Young Marshal had made adequate preparations beforehand, the Japanese could not have captured this strategic place as easily as they did without paying a costly price.

The circumstances which led to the Japanese invasion are really immaterial, because the Japanese have been long notorious for their ability to build up a case on a flimsy pretext. But the Japanese official explanation of the present case is too ludicrous to be passed without comment. It has been alleged that some one hurled two bombs and fired two rounds of rifle bullets into the premises of the headquarters of the Japanese gendarmerie at Shanhaikuan. Therefore, the Japanese had to retaliate in "self-defense."

The mere fact of finding a few bombs and bullets at the gendarmerie headquarters does not offer convincing evidence that they were sent by Chinese soldiers. Pending the definite establishment of this fact, the Japanese could not even approach the Chinese authorities for an explanation of bomb-throwing and rifle-firing. Even if the bombs and bullets were actually sent by the Chinese, the Japanese still had no real excuse to launch a fierce attack on an unguarded city without first exhausting diplomatic means.

It has been also alleged that Marshal Chang Hsueh-liang by the dispatch of three brigades to Jehol displayed hostile intentions. Jehol, although much coveted by the Japanese and long regarded as part and parcel of "Manchukuo," is still Chinese territory. If the dispatch of three brigades of Chinese soldiers to a Chinese territory can be construed as an hostile act, then how can Japan justify her position as a friendly nation of China by stationing four-and-a-half divisions of Japanese soldiers in Manchuria? If Japan should defend her interest where her interest is not a bit menaced, there is no reason why China should not defend herself when her very existence is endangered.

The objectives of the present Japanese military operations need not be disclosed, because they are plain to all. Suffice it to say that the Japanese militarists will not be satisfied until they have succeeded in ousting the Young Marshal from his present sphere of influence and in "liquidating" the Kuomintang Party. The suppression of Gen. Su Ping-wen's rebellion in North Manchuria has enabled them to devote their whole time and energy to the consummation of these two objectives.

With the occupation of Shanhaikuan, the Japanese are well on their way to reach their first objective. Before making any further advance, they can bring pressure upon the Young Marshal with Jehol as their first prize. It may be recalled that the Japanese for the alleged reason of the murder of Ishimoto have invaded Jehol on many occasions in the past, but because of the mountainous nature of the region and Chinese preparations, they could not capture that province without great sacrifice. In order to save their military strength, they are now pursuing a course by which they expect to attain their goal at a small cost.

When the opportunity comes, they can march directly from Shanhaikuan to Peiping and Tientsin without much difficulty, thus enabling them to create hegemony over North China by ousting the Young Marshal and putting up a puppet state which will be amenable to their dictations. It has been long rumored that the Japanese have intrigued with Chinese political malcontents and pro-Japanese elements in their attempt to upset Marshal Chang's regime. Therefore the invasion of Shanhaikuan may be adequately interpreted as the initial step leading to the Japanese conquest of North China.

The Proposed Conquest of North China

The conquest of North China, if it can be accomplished, will undoubtedly administer to the prestige of the Nanking government such a deadly blow that it is a foregone conclusion that the Kuomintang party will collapse of its own weight. Thus the Japanese can realize their second objective without the need of even extending their military operations over the Yangtsze valley.

Domestically, the Japanese militarists are seeking a pretence to extend their military operations so as to divert the attention of the Japanese people from the domestic political and financial troubles. The military expenses are mounting higher every day, and as a consequence, the national finances are in a bankrupt state. The Japanese militarists must gain further glories to appease the anger of their civilian people who have been taxed to the breaking point.

Internationally, Japan is safe in extending her conquests without having to fear being charged and convicted before the International Tribunal. The Council, the Assembly, and the Committee of Nineteen have been passing the buck among them and dare not apply sanctions, either economic or diplomatic on the Japanese. France and Great Britain are now having a secret understanding with the Japanese not to interfere with the latter's imperialistic policy, and the United States, the only hope of China, pending the inauguration of the new President in the coming April, is not likely to make any move to thwart Japanese designs. Thus the coast is clear, and the Japanese militarists can do whatever their whim directs.

With these circumstances in view, we have reason to believe that the Shanhaikuan affair is not a local incident as the Japanese have made us believe, and that new and grave developments are to be expected momentarily. It is the irony of the fate that the Young Marshal should once again be called upon to resist the Japanese invasion. Because of his policy of non-resistance, he has brought himself to the present impasse, out of which he has either to fight or to surrender.

The magnanimity of the Young Marshal seems to be without bound, and he is willing to concede his governed territory as much as he can afford for the sake of peace. He has already given the Japanese the whole of Manchuria without even receiving any thanks in return. If he were the ruler of the whole of China, he would likely withdraw his forces to the south of the Yellow River, if the Japanese

(Continued on page 339)

1932 Was Momentous Year for China's Industry and Commerce

BY HO PING-YIN
(Director, Bureau of Foreign Trade)

(Continued from last week)

Fishing

The available fishing area off the coast of China is the largest of any country in the world. It extends over the East, Yellow, and China Seas, covering a total of 271,805 square miles, and according to a reliable estimate the annual catch should exceed $200,000,000 in value. Owing to the conservatism of Chinese fishermen, and their obstinate attitude in regard to the use of new methods and devices, the actual catch amounts only to $50,000,000 a year. The remaining profit, however, practically goes entirely into Japanese hands. The dumping of enormous quantities of marine products in China's coastal provinces further hinders the development of the fishing industry of this country, and as a result of these two influences China's fishing industry is on the verge of ruin.

In view of the steady decline of this industry and the loss of fishing rights, definite remedial steps have been taken by the provincial authorities of Kiangsu and Chekiang. Experimental stations are established in such cities as Nantung, Jukao, and Changshu, and regular conferences held to discuss ways and means for improving the breeding and catching of fish. In regard to deep-sea fishing three definite areas have been designated by the Ministry of Industry, namely, Kiangsu-Chekiang, Fukien-Kwangtung, and Shantung-Hopei. A Fishery Administration Bureau for each district takes charge of affairs relating to fishing in these waters, but these steps only are emergency measures, and are not comprehensive enough to save this important industry. From my point of view, what China now needs is the establishment of large-scale fishing companies following modern methods, and institutions for training fishermen in the use of those devices and methods, for only by these measures can China's fishing industry be restored.

Matches

The match industry in China only began to develop on a large scale during the war of 1914-18. According to an investigation by the China Match Manufacturers' Association, there are now 64 match factories operating in this country. Their names and location are as follows:

Kwangtung Province

Tungshan (東 山)	Canton
Wen Min (文 明)	Canton
Chung Kuo (中 國)	Canton
Kwang Ta (光 大)	Canton
Kwangtung (廣 東)	Canton
Wen Yi Hsin Kee (文益興記)	Canton
Min Sen (民 生)	Namhoi
Si Nan (西 南)	Samshui
Kwang Min (光 明)	Sunwei
Chu Kwang (珠 光)	Toishan
Chiao Min (巧 明)	Fatshan
Chi Chang (熾 昌)	Swatow
Tung Hsin (東 興)	Macao
Chang Min (昌 明)	Macao
Min Hsin (民 興)	Chingyuan

Shantung Province

Hwa Pei (華 北)	Tsingtao
Chen Yieh (振 業)	Tsingtao
Min Hwa (明 華)	Tsingtao
Hwa Lu (華 魯)	Tsingtao
Lu Tung (魯 東)	Tsingtao
Hung Tai (洪 泰)	Tsingtao
Chen Tung (振 東)	Tsingtao
Sin Chang (信 昌)	Tsingtao
Hsin Yieh (興 業)	Tsingtao
Hwa Shen (華 盛)	Tsingtao
Hwa Hsin (華 興)	Tsingtao
Chen Yieh (振 業)	Tsinan
Chen Yieh (振 業)	Tsining
Chiao Tung Chen Yi (膠東增益)	Tsimo
Tung Yi (東 益)	Tsingchow
Chang Hsin (昌 興)	Chefoo

Anhwei Province

Hwai Shan No. 1 (淮上第一)	Linhwaikwan

Kiangsi Province

Yu Sen (裕 生)	Kiukiang

Hupeh Province

Yen Chang (炎 昌)	Hankow

Chekiang Province

Kwang Hwa (光 華)	Hangchow
Sui Chang (燧 昌)	Lishui
Chen Ta (正大)	Ningpo
Kwang Min (光明)	Wenchow

Hopei Province

Tan Hwa (丹華)	Peiping
Tan Hwa (丹華)	Tientsin
Yung Hwa (永華)	Chiaoho
Pei Yang (北洋)	Tientsin
Yung Chang (榮昌)	Tientsin

Honan Province

Tung Ho Yu (同和裕)	Sinhsiang
Ta Chung (大中)	Kaifeng

Kiangsu Province

Yung Chang (榮昌)	Shanghai
Ta Hwa (大華)	Shanghai
Hwa Min (華明)	Shanghai
Yung Chang (裕昌)	Chinkiang
Hung Sen (鴻生)	Soochow
Chung Hwa (中華)	Nanhwei
Ho Kee (和記)	Changchow
Tung Sui Chen Kee (通遂振記)	Nantung
Kiang Pei (江北)	Hsuchow

Szechwan Province

Chang Sui (昌燧)	Hokiang

Kwangsi Province

Wuchow (梧州)	Wuchow

Shaasi Province

Chin Tsin (金井)	Pingyao

Kirin Province

Kin Hwa (金華)	Kirin
Chung Chi (衆志)	Kirin

Liaoning Province

Hwei Lin (惠臨)	Shenyang
Tan Hwa (丹華)	Antung
San Min (三明)	Yingkow
Sen Sen (姓姓)	Yingkow
Kwang Tung (關東)	Yingkow

During the years of the Great War, the match industry in China was at the height of its prosperity, while the European match trade was declining, but after the war, Swedish products began to pour into the market, forcing many Chinese concerns out of business. With their great financial strength, the foreign companies were able to kill the competition of small Chinese factories, and with the invasion of Swedish interests into the market, the entire match industry in China was endangered.

With the death of Mr. Kreuger, the Swedish match king, and the subsequent bankruptcy of his enterprises, the present would seem to be an opportune time for Chinese manufacturers to establish this industry on a sound basis. At this critical moment, it should be noted that the Japanese are already extremely active in this direction, and are making close investigations into the condition of the match industry in China. This significant fact indicates the ambitions of the Japanese in this market, and unless something is done promptly and effectively by the Chinese, any revival of the match industry will not be possible.

The Dumping of Japanese Goods

The majority of modern industries in China are still in their infancy, and not until recently has any great improvement been made since they have been given an

opportunity to replace many imported products, the prices of which have gone up considerably as a result of the fall in the value of silver. Mbreover, there is an increasing sentiment in favor of the use of home-made goods among the masses while the Government has from time to time showed encouragement and given assistance to manufacturers. Since the Shanghai incident the market from Japanese goods in China has become so stagnant as the result of the popular refusal to buy Japanese goods that unsalable stocks have accumulated to an enormous extent. The prolongation of such conditions would unquestionably bring great losses to Japanese merchants and manufacturers, and taking advantage of the disorganised economic conditions and impoverished condition of the people, Japan has decided to dump these accumulated stocks in the Chinese market, thus providing a way out for her industries and bringing new strength to her economic structure, but if this plan is allowed to succeed the infant industries of China will be killed or stunted.

Coal.—The main areas for dumping coal are Shanghai and Hankow, supplies coming from the Fushun mines, Mukden, which used to be sold in Mukden at Yen 6.50 and in Dairen at Yen 6.20 per ton. The price at which Fushun coal is being sold in Shanghai is only Yen 4.30, considerably under cost.

Price of Fushun Coal in Shanghai

Original Prices	Yen 6.30 — 6.50 per ton
Dumping Discount	1.50 — 1.90
Dumping Prices	4.30 — 4.60

Consumption of Fushun and Japanese Coal in Shanghai During the Months June-September, 1932 (Tons)

	June	July	August	September
Fushun	29,890	39,503	45,582	27,670
Japanese	34,832	39,331	45,831	40,828

As means of carrying out this dumping policy, the Japanese, besides lowering prices, sell stock to small merchants on credit, giving them most generous accommodation.

As the result of this dumping huge stocks of coal from the Kailan mines have accumulated in many ports. According to investigations by the Kailan Mining Administration, the price of K.M.A. No. 2 dust was only Tls. 10.75 per ton in the beginning of the year, yet stocks unsold amount to over a million tons, with 600,000 tons in Chinwangtao, 130,000 tons in Hankow, and 150,000 tons in Wuhu. The scarcity of Kailan coal on the market was said to be the result of shortage of transportation facilities or of high freight, increasing the cost and thus hempering sales. As a matter of fact, railway freight for coal is not so heavy as is imagined. For instance, the charge for carrying Shansh coal per ton per kilometre is only $0.15, Chung Hsing coal, $0.05, Ching Ching (井 徑) coal, $0.06, and Lu Ho Kou (六 河 溝 coal, $0.082. It must be said, therefore, that the failure of Chinese coal to hold the market is due to nothing else but the dumping of Japanese coal.

Cement

In ports like Shanghai, Tientsin, Swatow, Amoy, Tsingtao, and Canton, and in the Yangtze Valley with Hankow as the centre, the Japanese are selling cement at extremely low prices. The go-down delivery price of Japanese cement is only $3 per barrel in Shanghai, while the Chinese product sells at Tls. 4.60 plus an additional Tls. 0.75 for consolidated-tax and commission. In addition to the low prices offered to merchants in the trade, Japanese also approach directly all possible large purchasers such as municipalities, public utility companies, etc. to solicit orders.

The total annual output of Chinese cement factories aggregates over 3,700,000 barrels, while their total sales amount to only about 2,700,000 barrels on account of Japanese dumping. China's own production of cement is sufficient to meet the home demand, and the quality of the Chinese product is in no way inferior to that of Japan, but this important industry cannot prosper against such odds, and it is hoped the Government and cement manufacturers will cooperate to devise means of preventing its destruction.

Marine Products

Since 1906 Japanese fishing boats have been poaching in China waters, with Tsingtao, Hongkong and Shanghai as their bases of operation. From 1929 to 1931 there were in Shanghai 34 fishing steamers of Japanese nationality, the value of marine products taken from China waters amounting to about $800,000 annually. In Hongkong the Japanese have organized the Herai Gyogyo Kaisha, whose fishing fleet made catches amounting to $1,000,000 in value during 1930.

After the National Government levied a special tax on fishing boats, the Japanese devised various means of evading it. One plan is to carry their catch to Dairen and then transport it to Shanghai in Chinese fishing junks, thus avoiding paying the tax. Recently, the Japanese Fishing Association invested a sum of $30,000,-000 in fishing companies in Yinkou and Dairen to carry on business on a still larger scale.

In Shanghai, both during and after the Sino-Japanese conflict of last January, Japanese fishing-boats are particularly active. They either anchor at Woosung and send their catch to Shanghai by motor trucks and junks, or proceed direct to Shanghai. During February and March marine products arriving at Shanghai in this way amounted to 1,000,000 barrels of 40 catties. Much later in the year the arrival of such marine products sometimes amounted to as much as 2,000 barrels a day (November 28th).

The marine products thus brought to China by the Japanese are dumped on the Shanghai market. The catches of Chinese fishermen belonging to Ningpo and other places are sold in Shanghai at $16—$17 per picul, while Japanese supplies can be obtained at from ₮10 to ₮12. On account of their low prices the Japanese have almost taken over the whole market for marine products.

During the past year our industries and our commerce went through numerous hardships, and many of these discouraging conditions still exist. Should we fail to devise some means of protection a general industrial breakdown, shaking the very basis of our economic life, is imminent. This danger, however, is not without a remedy. If we concentrate our energies on the economic reconstruction of our country, it will be still possible to establish our industries on a firm foundation and realize our hopes of national prosperity.

THE SHANHAIKUAN AFFAIR AND MARSHAL CHANG HSUEH-LIANG'S DILEMMA

(*Continued from page 337*)

were to demand North China; and he would retreat further south, if the Japanese should want more—until the last wall is reached.

But unfortunately or fortunately, the Young Marshal's influence is at present limited to Hopei province. He can not afford to retreat any further without losing his position and therefore his influence altogether. Although he is a self-styled pacifist, he has to draw his sword to resist any further encroachment just for the sake of his own very existence. Under the present conditions, it seems that the Young Marshal. one may regret to say, must depart from his accustomed policy and lead his vast army to wage a life and death struggle with his ungrateful enemy.

During the past sixteen months, the Young Marshal has had many opportunities to redeem himself from his past infamous deeds, but sadly he has let every opportunity slip by. However, there is no use in crying over spilt milk. Let us hope that he will stand up as a man to face his enemy without any more hesitation. The enemy is already inside the Wall, and every minute's delay will serve only to accentuate the already tense situation. For the sake of his personal interests, he must act and act immediately. Whether he will continue to be a laughing stock or transform himself into a national hero, only time will tell.

Shanghai, January 16, 1933.

Middle Schools to Resume Military Training

In a circular order to the various educational organs in the provinces and municipalities, the Ministry of Education has instructed that arrangements be made to obtain the necessary funds for the resumption of military training among students of middle school grade and above, during the summer vacation.

Students received compulsory military training during the summer holidays last year, but owing to insufficiency of funds much difficulty was encountered. In view of this experience, the local authorities are instructed to make satisfactory arrangements early this year so that the course of training may be carried out without let or hindrance?

Chinese National Lottery for Promotion of Aviation and Highways

The following is the full text of the proposal of the Minister of Finance, T. V. Soong, for the establishment of a "State Lottery of the National Government of China for the promotion of Aviation and Highways" passed at the Executive Yuan at Nanking Jan. 10 and approved by the Central Political Council the following day.

"LOTTERY systems conducted by governments as a means and method of procuring funds for financing certain public enterprises were first instituted in western states. During the last year of the Manchu Dynasty and the early period of the Republic the practice of issuing lotteries was adopted by some provincial authorities, and in some instances, by public and private organizations in order to raise funds for famine relief operations. Unfortunately these lottories had not been for the most part successful owing to the lack of proper organization for their administration and of adequate supervision.

Modern financial history of the western states abounds with instances of successful lotteries conducted by the government. The governments of Germany, Ireland, France, Austria, Norway, Denmark, Spain, Russia, Italy, Roumania, Turkey, Poland, New South Wales (Australia), and many South American states derive a good percentage of the annual requirements of their exchequer from this source; and the completion and maintenance of not a few public institutions and services, such as state libraries, museums, hospitals, schools, railways and other establishments primarily depend on the receipts from state lotteries. One of the best conducted and most successful national State lotteries today is that of Germany, which dates back to the 18th century and which issues lotteries at present amounting to the large sum of 320,000,000 marks annually, netting to the government about 25% of the proceeds of issue. The other State lotteries also yield to their respective governments from 25% to 30% of the proceeds of their issues.

The Need for Means of Communication

It is beyond cavil that one of the retarding forces to the economic development in this country is inadequacy of modern means of communication. We have in China, at the present time, a few commercial air routes and a few highways, but these are highly inadequate to meet the growing needs of our internal industrial and commercial development. Further procrastination in the satisfaction of those urgent requirements would retard indefinitely the development and advancement of trade and industry and would place China decades behind this over-advancing age of scientific creation. China is in need of a satisfactory system of highways, and air routes, of airdromes and Aviation Schools for training pilots and mechanics and airplane repair shops. But these desiderata, important as they are, cannot be brought into existence without the requisite funds for their financing. The source of supply of this huge sum cannot be looked for in the national treasury which has already been under great strain to meet the ordinary expenditures of the existing civil and military establishments. Nor is it feasible at the present juncture to raise it either by flotation of domestic loans or by borrowing from abroad. The elimination of these possible channels for raising funds seems to leave as the only and last recourse to issue lottery bonds, under the auspices of the central authorities.

How the Proceeds Will Be Allocated

Under the lottery scheme as set forth in the present proposal there will be four issues each year; the amount of each issue will be $5,000,000 totalling $20,000,000 in four issues. The distribution of the proceeds will be in the following percentages:—

Prizes	50%
Agents' commission	10%
Administrative and issuing expenses	5%
Amount available for development of commercial aviation and construction of highways	35%

We have seen that the factors accounting for the failure of earlier lotteries in the country are to be found in the faulty organization and absence of rigorous supervision rather than in the system itself as a means of public finance. Under the proposed scheme, the Central authorities will undertake the responsibili y to provide the proper machinery for managing and supervising the lottery operations according to regulations carefully formulated.

As regards the purchase of lottery bonds, the people are entirely left to exercise their discretion in this matter. Ordinarily, people would buy lottery bonds according to their varied purchasing capacities just as they would guide themselves in the purchase of other useful articles. On the other hand, no one would or could plunge his entire fortune in a lottery as one might do in gambling and speculation. Furthermore, in conducting the lottery, publicity as regards the management and as regards accounts will be carefully observed by the Government, and the cardinal principle of raising adequate funds for the financing of national constructive enterprises without adversely affecting the livelihood of the people will be kept constantly in view. I respectfully submit in the following the outline of the proposed lottery scheme for your consideration and decision:

Outline of the Proposed State Lottery of the National Government of China for the Promotion of Aviation and Highways.

1. The lottery bonds to be issued by the Government shall be called "The State Lottery of the National Government of China for the Promotion of Aviation and Highways."

There shall be four issues each year, and the amount of each issue shall be $5,000,000. Fifty percent of the proceeds of the sale shall be set aside for prizes. After covering agents' commission and operating and administrative expenses, the balance of the remaining 50% shall accrue to the Government to apply to the following constructive undertakings:—

Purchase of new airplanes.
Construction of airdromes.
Aviation schools.
Airplane repair shops.
Other commercial aviation enterprises.
Construction of highways.

2. A National State Lottery Commission shall be organized to supervise the operation and conduct of the lottery under a National State Lottery Administration. The Minister of Finance shall invite persons of high standing, both Chinese and foreigners, in finance, commerce, industry and certain high officers of the Government to form this Commission. All members of this Commission shall be honorary. The Minister of Finance shall be Chairman *ex officio* of this Commission.

3. A National State Lottery Administration shall be formed to operate the lottery. The Minister of Finance shall appoint a Director-General and other officers of this Administration.

4. The lottery bands shall be sold throughout the country through duly authorized agents. Drawings shall be held at Shanghai. At each drawing the National State Lottery Commission shall request the local court, the Chinese General Chamber of Commerce and the Bankers' Association in Shanghai to send their representatives to join its own Committee to supervise the drawing.

5. The National State Lottery Commission shall be responsible for the custody of the proceeds of the sale of lottery bonds, which will be deposited with banks of high standing.

T. V. SOONG.

Lancashire Meets Heavy Japanese Competition in India

In the annual report of the Indian section of the Manchester Chamber of Commerce published last week, it was pointed out that India was during the past year the principal market for Lancashire's cotton. Shipments during 1932 exceeded those for 1931. The report went on to state that it was difficult to foresee the prospects of the industry with regard to the heavy Japanese competition which reigns with regard to the Indian tariff. On the other hand Ceylon was literally flooded with Japanese products selling at prices clearly disproportionate to Lancashire's offerings. On the Chinese market, says the report, business has slowed down, due largely to the fears current since the beginning of the Sino-Japanese conflict.

Japan's Latest View of the League of Nations

(By the Review's Tokyo Correspondent)

(Translations from various Japanese publications)

Reconstruction of the League of Nations

(By *Kainan Shimomura*, Tokyo Asahi, Jan. 4)

The League of Nations has its origin in President Wilson's proposal. The Congess which opposed the move reasoned that it would contradict the spirit of the Monroe Doctrine that the country through being a member should ceaselessly be troubled with the world's whirlpool of disputes irrespective of their nature. In my idea such an international organization as the League of Nations is absolutely indispensable just as a bankers' club and clearing house are necessary for smooth banking business. This is especially the case when the interests among nations have become so closely interrelated as at present. Apart from its merits in liquidating the Great War and its function of guaranteeing peace, we may count international collaboration, freedom of communication, hygiene and public welfare works as its meritorious achievement in the past.

The question now pending is, firstly, that two great powers—America and Russia—are still keeping aloof, though they will sooner or later cast in their lot with the rest of the world in the event the structure of the League is reconstructed in the future.

Secondly, we may point out the dissatisfaction voiced against the Versailles Treaty. It is impossible for Germany, Austria and other countries defeated in the War, to maintain the *status quo*. Before the War Austria occupied 260,000 square miles inhabited by 50,000,000, which after the War was reduced to only 60,000 miles and 6,000,000 population, including Vienna. Though being a victorious nation Italy is not satisfied with adhering to the existing conditions. Besides, the existence of so many small countries adds to economic unsafety. Accordingly therefore, unless amalgamation is made or the map is repainted by another war, they all feel suffocating as they are.

The third question is the conflict of interests between big and small Powers: whereas the former are inclined to amicable settlement of the Manchurian question in consideration of their respective interests in the Far East, the latter, being less interested in the question, besides being sympathetic toward China are afraid that an untoward precedent may be set up by letting Japan behave as she likes. Perhaps, the smaller Powers favor her withdrawing from the League.

The fourth problem is the League's system of one ballot for one country. This defective point of the League may probably constitute one of the basic reasons for American's non-participation. The circumstance can be compared to the general meeting of a company at which shareholders of one or two shares are allowed to behave unrestrainedly at the expense of the mainstays of the concern. We advise that something must be done to save the situation such as, for instance, taking into account the population and area of the country. This is a difficult proposition of course, but such cannot be helped if we desire to eliminate the deformity of the situation. Just think of America and Luxemburg having one ballot each.

In the fifth place we refer to the League of Nations as the sole peace organ of the whole world. The surface of the globe is too extensive for the institute to acquire adequate knowledge of things for proper functioning. As the League lacks due recognition of things Manchurian, so the Japanese had been lacking in perfect knowledge of the territory until the outbreak of the Manchurian incident, 1931. Premier Mussolini of Italy declared at the tenth anniversary of the founding of the Fascism that the League's influence grows weaker in proportion to distance; though it may be useful in Europe, in the Far East and South America its efforts are confined to words only. We quite agree with Premier Mussolini, but at the same time we know the defect lies not with the impatience of the League but with its structure. There are now going on armed battles between Bolivia and Paraguay and between Peru and Colombia. These the world does not know; they are too slightly interested to be informed of the facts of these cases. For the solution of such incidents there is the Pan-American Union, which functions like a court of appeal under the supreme court of the League of Nations. In a similar sense we prefer creating another court of appeal in the Orient.

Japan's New League Policy

Osaka Mainichi, Jan. 4.—In furtherance of the efforts for the realization of the three basic principles, namely: "Legalization" of the recognition of Manchukuo, validation of the Manchukuo-Japanese protocol, and commencement of the Sino-Japanese direct negotiations, Foreign Minister Count Yasuya Uchida intends in 1933 to deviate from his past foreign policy of concentrating on the League of Nations.

Instead of putting emphasis on the League, the Government is going to exert more efforts in its negotiation with individual nations. Especially noteworthy is the Government's readiness to conclude a non-aggression treaty with Soviet Russia and some kind of an agreement for the security of the Western Pacific with the United States.

It is to be recalled that Japan's foreign policy in 1932 can be summed up in the negotiations with the League in relation to the recognition of Manchukuo, while the League carried over the formula for the settlement of the Sino-Japanese dispute based on Paragraph 3 of Article 15 to the new year.

As early as January 3, negotiations were resumed at Geneva between the big Powers and the parties to the dispute in an attempt to find the formula in question. And on January 16, the extraordinary session of the Assembly is to be resumed.

On the part of Japan, however, the nation is resolved to attain its original objectives at the risk of withdrawal from the League, should the formula now in the making prove incompatible with the three basic principles aforementioned.

Because of the situation at the League, which permits no alteration or modification so far as the Japanese policy is concerned, the Government has reached the decision of preferring direct and multilateral negotiations with the various nations, small and otherwise, that favor the restoration of peace in the Far East and desire to have a share in the distribution of the profits. The 1933 Foreign Office policy will become decidedly flexible. It is to be pursued along the following lines:

1. The Japanese Government's envoys are to inaugurate direct contact with representatives and delegates at each foreign capital. In order to expedite their campaign, the change of the envoys as often as possible is deemed favorable for keeping them well posted.

2. For the purpose of facilitating trade and promoting amicable relations with the civilized nations, regardless of their sizes, the Government is to announce its willingness as well as its readiness to consider an arbitration treaty and to enter into commerce and navigation pacts.

3. The Government will gladly accept a proposal for the negotiations with a view to the perpetuation of peace, distinctly independent from the League, should it be made by both Soviet Russia and the United States.

That is to say, the Government is going to give sincere and careful consideration to any proffer with the stipulation of some kind of a peace binding the United States and Japan to uphold the security of the Western Pacific as its ultimate object, on the occasion of the Philippines' independence.

Absence of America and Russia Makes League Incompetent

(Dr. Kamikawa—*Gaiko Jiho*, Jan.)

In making a study of the attitude of the Powers toward the Manchurian question it is important to observe the standpoints of America and Russia in relation to the Manchurian question and the League in addition to those of member states of the League. These two great Powers occupy no seat in the League of Nations and it looks as if they are disinterested in the disposal of the Manchurian issue. Indirectly, however, they are in a position to produce an enormous influence upon the League. Generally speaking, no member state of the League whether big or small has important interests in the Manchurian question. That these two Powers happened to remain outside the League constitutes an important reason for the League's incompetence in dealing with the Manchurian question. No doubt therefore that the movement of these countries will greatly affect the League. The Manchurian policy of America was made public by what is called the Hoover Doctrine and was endorsed and adopted by the decision of the League Assembly on March 11. America is strong in her attitude in uplifting the sanctity of the War

Pact and the inviolability of the Nine-Power Treaty, and firmly resolved not to recognize any outcome produced through encroachment of these treaties. As long as the League sympathizes with this policy America is prepared to co-operate with the institute. This policy of the United States will never be altered in the Roosevelt Administration. As regards Soviet Russia, she has been subjected to greatest disadvantge by the Manchurian incident. Yet, she maintains an extremely prudent attitude; she is too absorbed in the consummation of the Five Year Plan to start trouble with Japan. Naturally, Soviet Russia carefully avoids contact with the League.

Democratic Party's League Policy

(By Hideichi Nishizawa—*Gaiko Jiho, Dec.*)

When Governor Roosevelt was nominated a Presidential candidate at the general meeting of the Democratic Party at Chicago, in his platform seasoned with the party planks, matters pertaining to foreign policy were dealt with lightly. Though in what is called the keynote speech he upholds Wilson's immortal spirit, yet strange to say no reference was made in his speech to the League of Nations. On the other hand, in the Republican platform adopted at its general meeting the party clarifies its standpoint in reference to the Sino-Japanese dispute, stating that the country should take co-operative movement with the League member states offering them assistance by way of enhancing the mutual advantages of peace and system. And as regards the application of Anti-War Pact the party holds that this principle called in the name of President Hoover was later adopted by the General Assembly of the League as a working rule to regulate the League members' movement.

The League of Nations is originally a signboard of the Democrats. It was this party that stood against the Republican Party when the latter assumed an attitude of disapproval against the League of Nations and the Versailles Treaty, and advocated the country's taking up membership. Since later the reign of the government passed to the Republican Party, relations between the country and the League has increased in intimacy, the latter also realizing the necessity of going to her for assistance. Every one of the conferences held under the League's auspices received practical support from America, and the League's disarmament enterprise enjoyed her unreserved prop at all times. Their intimacy has been further augmented since the outbreak of the Manchurian incident. America attempting to carry out her Far Eastern policy by utilizing the organization and the League intending to draw in American influence for the settlement of the complex Far Eastern dispute. It was in such an atmosphere that the late Presidential election was effected. Naturally, the future development of the League-American relations under the Democratic Administration draws our special interest.

The fact that neither in its platform nor during the election campaign the Democratic Party dealt with anything about the League, attests to the nation's being placed in a position to refrain from giving positive support to it. What is to be noted is that Mr. Garner (elected Vice-President) has the support of the Hearst papers. The fact must also be remembered in this connection that Mr. Roosevelt's success in obtaining a majority of votes at the party's meeting at Chicago was made possible by Mr. Garner's co-operation. From all these we may safely conclude that the Hearst papers having taken an antagonistic attitude toward the League of Nations and insisting on America's isolation from Europen affairs, provide us with an important key to forecast Roosevelt's foreign policy. When taken into consideration together with the strange attitude of disinterestedness of the Democrats' platform toward the League, the aforementioned Garner's co-operation with Roosevelt and close relations with the Hearst papers give us food for thought.

During his election campaign no reference was made to the League of Nations and there is no way for ascertaining his view of the League of Nations, but according to his speech delivered at a meeting of the farmers' union of New York, Mr. Roosevelt's conviction was that the League of Nations had grown to be an institute quite different in nature from what Mr. Wilson had intended it to be; it became a meeting place for those who discuss the diplomatic relations of Europe, and as a matter of fact the question whether America should take part in such an organization or not came to be a thing of the past. Continuing, he stated, "What the world is in need of is, first of all, that the United States show the Powers a national policy indicative of truthful nations." By this he meant to admonish the tendency of European nations toward relinquishing their war-debt obligations.

Japan's Mission, as General Araki Sees It

JAPAN'S ambition to conquer the whole continent of Asia is recorded in a memorandum issued by General Araki, Japanese war minister. The document was issued in Tokyo during April 1932, and all the events that followed, the recognition of the "independence" of Manchukuo, repeated attempts to invade Jehol and finally the occupation of Shanhaikwan on January 3 mark the substantiation of the memorandum.

Extracts of the memorandum, which specially dealt with China as the immediate victim of Japan's policy of territorial aggrandizement were published recently in the *Shun Pao*, leading Chinese daily in Shanghai. The whole document, according to the *Shun Pao*, appeared in an influential Japanese magazine in Tokyo in its April issue and was signed by General Araki. The Araki memorandum is similar to the Tanaka memorial which has been circulated and published in China as the first expose of Japan's "continental policy" in the Far East.

The memorandum, entitled "Japan's Mission" declares that the occupation of Manchuria is the first necessary step towards Japan's conquest and domination of the entire continent of Asia. It is a trust, the memorandum says, God has placed upon Japan as the "chosen race" to protect all the oppressed nations in the Far East.

In Chapter VI of the memorandum, General Araki defined the doctrine of "Japanese imperialism" which, he pointed out, represents the highest ideals and aspirations incarnate of the Japanese people for national advancement. Japan must be prepared, the memorandum says, for any sacrifice to carry out this doctrine, and any country that dares place itself in opposition must be dealt with by force.

The memorandum then goes on to review the conditions prevailing in all the Far Eastern nations. China is described as a disorganized state suffering from constant civil wars and the lack of a centralized government, while India as one suffering from British imperialism. "Japan is the only nation worthy of the name of a strong independent power, destined to assume the role of a protector of the whole continent of Asia of any influence of White Imperialism," the memorandum says.

Japan can no longer, the memorandum continues, remain disinterested and indifferent to the yearnings of her neighbors for relief from their sufferings and it is now incumbent upon her to replace White imperialism with Japanese imperialism in the Far East in order to live up to the trust of God. In seeking to carry out her entrusted mission as the master of the Far East, the memorandum points out, Japan is following the path of justice and righteousness.

British Bungling Criticized

The memorandum goes on to criticize Great Britain for her alleged misgovernment of India which as resulted in the seething campaign of revolt for independence in India during recent years. Such movement in India and similar developments in other parts of Asia, it is pointed out, are seriously prejudicial to peace of the Far East which Japan has the responsibility to safeguard even though she might have to resort to force to accomplish her mission.

Chapter VII of the Araki memorandum deals exclusively with Manchuria and Mongolia. Manchuria and Mongolia, it says, form the gateway of Japanese imperialism on the continent of Asia.

"From an economic and industrial point of view" the memorandum goes on "Manchuria is vital to the existence of Japan. Japan depends on Manchuria for the supply of foodstuffs and raw material for industrial purposes. In fact, Manchuria has long belonged to Japan in view of the huge amount of money estimated at more than $1,500,000,000, invested by Japanese in industrial and commercial enterprises in the Northeastern Provinces."

Manchuria First Step

"But above all, Japan considers Manchuria vital to the upbuilding of the Great Japanese Empire in Asia. If she does not establish her control over Manchuria, peace in the Far East will be placed in a precarious condition and the existence of Japan will be endangered. It is in keeping with the will of God for Japan to occupy and hold Manchuria."

Turning to Mongolia, the memorandum raises the question whether Mongolia is the domain of China or of Soviet Russia or an independent state. No one can give a definite answer to this question, not even China herself, the memorandum says. Japan, the memorandum continues, must correct this unfortunate state of affairs in Mongolia.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

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The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

Chinese Vernacular Press in San Francisco

BY T. L. KUO (郭濯正)

SAN Francisco is the chief entrepot of trade between China and the United States. Ever since the days of the gold rush many Chinese have settled in the region around San Francisco Bay. Gradually these enterprising Chinese coolies penetrated into the hinterland until they have established themselves all over California and in other states of the Union. Dispite recurrent anti-Chinese movements and gradual tightening of the immigration laws there are today in the United States no less than 70,000 Chinese (this being a very conservative estimate). A very large part of this Chinese population has settled in and around San Francisco, which, of all cities, claim to have the largest China-town in the United States, nay, even in the whole new world. Popular estimate of the Chinese population in San Francisco puts the figure somewhere around 20,000. And yet San Francisco, in a broader sense, comprises not only the county and City of San Francisco; from the point of view of business and industry Oakland, Berkeley, Sausalito, and even San Jose are just a part of the metropolitan city. The writer has known many Chinese merchants and men of affairs who make their homes in Oakland or Berkeley but whose places of business are in San Francisco. Hence they are compelled to commute every day. Those who have been in San Francisco for a considerable length of time will appreciate the fact that San Francisco is really larger than its political boundaries.

San Francisco Chinatown

The China-town in San Francisco is the most unique of all China-towns in the western Hemisphere. In this town all kinds of business flourish. Laundry offices and chop suey places are not the only business establishments in San Francisco China-town. There we find a Chinese hospital, Chinese Y. M. C. A., Chinese churches, Chinese schools, Chinese playground, and, most influential of all, Chinese newspapers. There are at present five Chinese dailies in San Francisco. They are (1) Chinese Times. (2) Chung Sai Yat Po, (3) Young China, (4) Nationalist Daily, and (5) Chinese World. Each of them has an average circulation of 4,000 (previously some of them had reached the 7,000 mark). People always wonder how a Chinese population of 20,000 could take in so many newspapers. The explanation is as follows: San Francisco China-town is the news center for all Chinese along the West Coast across the Rockies until touching the environs of Chicago where two Chinese dailies are found. To the south of California there is scarcely any Chinese vernacular press either in Mexico or central and South America. Chinese in these places usually subscribe for San Francisco Chinese newspapers to acquaint themselves with current events in China and the world at large. It is clear then that the reading public of San Francisco Chinese dailies is not confined to San Francisco alone, but extended all over the new Continent. In other words their circulation is not strictly local.

Of the five dailies mentioned above only two were started as purely business enterpries, namely, "Chinese Times" and "Chung Sai Yat Po." "Nationalist Daily" is the mouthpiece of the left-wing Kuomintang; "Young China" falls under the influence of the Hu Han-min clique while "Chinese World" has become the organ of the "Constitutional Party." "Chung Sai Yat Po" is the oldest Chinese newspaper in the United States. Its founder Dr. Ng, has recently died. This newspaper is all aglow with Christian ardor and gives ample space to consideration of social problems. "Chinese Times" was established in the summer of 1924 almost immediately after the new 1924 immigration law went into effect. This paper is supported by the Chinese-American Citizens Alliance, W. U. Lum being its most influential officer. The "Chinese Times" and "Chung Sai Yat Po" have no political affiliation; they are run strictly along business lines. Though their capital is small, their management is modern and progressive. To cite one example, one newspaper, with which the writer has been connected for a considerable length of time, employs only three persons in the business office, and yet a large volume of business is being efficiently and speedily conducted. In passing I should not forget to mention that as a rule every newspaper there operates a printing office within its own premises.

Turning now to the editorial department the writer has found that the editorial staff of San Francisco Chinese dailies is very much underpaid. The editor of a typical newspaper receives not more than 120 dollars a month. Of course he may take his meals in the publishing company but the food is terrible. Under the editor there are two translators who translate news found in American papers into Chinese. Then there is an editorial writer who has to write an editorial of 1,000 words every day. A reporter is also employed. He brings in news concerning local happenings. There is not a single holiday in the year. Though office hours are not long, the work is very strenuous, and the pay is small. Besides, there is not much prospect of advancement either in salary position. Hence ambitious young men are reluctant to take up journalistic work. One English newspaper magnate was of opinion that it was unreasonable to expect men of ability and integrity to do good work, if they were poorly paid. This should cause many newspaper owners to think.

Use of Classical Style Persists

Suppose we have in hand a copy of a San Francisco Chinese daily. On the first page we shall find an editorial covering one-quarter of a page, leaving another quarter for direct cable messages from Shanghai and Hongkong, while the remainder is filled up with advertisements. Turning to the second page we see translations of important news from San Francisco American papers and occasionally *New York Times* and *Christian Science Monitor*. The third is the continuation of the second. Local news is also printed on this page, while the fourth is taken up with happenings not of direct interest to the Chinese reading public. These four pages constitute the main sheet. The second sheet is again divided into four pages. The first and second are literary pages. The third and fourth reprint news excerpts from newspapers in China. In addition to the editor, editorial writer, translator and reporter, there is a proof reader who also takes charge of the literary section. The principle of division of labor is consistently followed. Each worker is responsible for only his particular section of the paper, meanwhile the president of the paper co-ordinates the efforts of the staff and suggests reforms. Journalistic work is interesting but the newspaper owners seldom conceive the idea of offering sufficient inducements to attract able men into service.

One question may be raised in this instance. What style of writing do the San Francisco Chinese dailies adopt? The answer is wen-li. All editorials are written in wen-li, so are news report, cable dispatches and others. Only once in a while the pei-hua is used in the literary section. There is a number of old Chinese scholars in San Francisco. Their preference for flowery and classical Chinese composition undoubtedly has had some influence upon the literary tastile of the masses. It is not surprising therefore, to find many Chinese business men in San Francisco who can write more fluent and beautiful Chinese than do some so-called Chinese intellectuals in China Proper.

Sun Fo Takes Up Duties of Legislative Yuan Presidency

Sun Fo, president of the Legislative Yuan and the new members of the Yuan, were formally inducted into office with appropriate ceremony at Nanking Jan. 16.

The ceremony of inducting Mr. Sun Fo and the new members of the Legislative Yuan into office was a simple one.

Lin Sen, chairman of the national government, administered the oath. In a brief speech he paid a tribute to the accomplishments of the Yuan under its former presidents, Hu Han-min, and Shao Yuan-chung. He expressed the hope that Mr. Sun Fo and the members would carry on the work with even greater vigor.

Yu Yu-jen, president of the Control Yuan, spoke on behalf of the Central Party Headquarters and urged the Legislative Yuan to make every effort to promote constitutional rule and to help to create in China a real government by law,

Sun Fo replied in appropriate terms, pledging himself and his colleagues to do their utmost to fulfil their duties.

Liang Han-chao, the secretary-general of the Legislative Yuan, stated in a press interview that the immediate task of the members of the Yuan is to prepare a draft constitution, complete the revised criminal code and to devise regulations concerning the projected People's National Assembly.

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Economic Discussions at Forthcoming Banff Conference

Advices from Honolulu show that the Central Secretariat of the Institute of Pacific Relations is busily engaged in preparing for the fifth biennial conference to be held at Banff, Canda, August 14 to 28, 1933. It will be remembered that the last conference was to have been held in Hangchow in the autumn of 1931, but resulted abortively owing to the Sino-Japanese conflict, although various groups held meetings in Shanghai.

The most important subjects to be discussed at the forthcoming Banff conference are those coming under the heading of "Economic Conflict and Control," for which the Secretariat has suggested the agenda given below. The matters to be discussed have became more vital than ever owing to the Japanese operations in Manchuria and the proposed granting of independence to the Philippine Islands.

A. Analysis of the tendencies toward an organized economic self-sufficiency in certain Pacific regions and their effect on commercial relations.

The discussion of this general question will involve consideration of the more specific economic elements which make it up, such as:

1. access to raw materials and markets,
2. commodity trade,
3. movements of capital,
4. tariffs,
5. communications.

These economic elements will be considered in such questions for discussion as:

(a) to what extent has it been found necessary to dominate or control sources of raw materials and foreign markets politically?

(b) to what extent have political (e.g., national) or economic (e.g., tariff) barriers to trade forced the utilization and artificial stimulation of marginal resources and markets?

(c) how far has the process of expansionism justified itself in the economic sense - e.g., U.S. and the Philippines, France and Indo-China, Great Britain and the Pacific Domminions, Japan and its colonies and areas of special influence? How far has it brought permanent economic benefits to industrial nations? How far has it improved the economic status of the non-industrialized regions affected by it?

(d) to what extent have political considerations determined movements of capital?

(e) what has been the trend in the relation between creditor and debtor nations?

(f) have the tariff policies of Pacific countries justified themselves in an economic sense? This question should be considered from the point of view both of the nation imposing the tariff and from that of all those affected by it.

Each of the foregoing subdivisions would appear to involve consideration of the relations of particular areas or groups either existing or in process of forming, e.g., the British Commonwealth, the U.S.A., the Japanese Empire, etc.

B. What is the effect of existing government systems and business methods on the use of the resources of the Pacific?

The discussion of this general question will involve consideration of the more specific economic elements which make it up, such as:

1. tariffs and measures of administrative control,
2. migration policies and administrative procedure,
3. foreign loan policies,
4. commercial policies,
5. communications.

These economic elements will be considered in such questions for discussion as:

(a) how have tariffs, migration policies, foreign loan policies, commercial policies and the development of communications hindered or facilitated the best use of the resources of the Pacific? In this connection other governmental and business forces such as chambers of commerce, export associations, patriotic societies, governmental trade promotion, etc., should be considered in the same light.

(b) to what extent and in what ways do governments control private enterprises involved in external relations? To what extent and in what ways do these private enterprises influence governments?

(c) how have governments and private enterprises planned their external operations? To what extent have these plans been effective in achieving the ends desired? To what extent do these plans represent the aims and interests of the people they directly or indirectly affect?

C. What proposal can be made for a more harmonious disposition of the resources of the Pacific area or for introducing into the existing methods discussed above, improvements in the general interest?

II. Instruments for International Adjustment

1. What instruments for international negotiation and consultation and adjustment are necessary to meet Pacific problems?
2. Wherein is existing machinery inadequate for these purposes?
3. Any other points germane to the foregoing, including singular questions which may arise in the course of the discussion.

The Secretariat recommends that the foregoing questions would probably be most effectively discussed if timed to come during the second week of the conference after substantial progress had been made with the general economic discussions.

It is suggested that whoever is responsible for opening up the discussion of these questions should bear in mind the desirability of exploring, among others, the following questions: (a) To what extent should domestic policies determining the external behavior of nations be internationally controlled, and by what methods; (b) To what extent should national units be used as the basis for representation in international consultation and action; (c) To what extent is functional responsibility possible and desirable?

Mitsui Bussan Director Predicts U. S. A. Will Impose Gold Embargo

Japan must be prepared to see President-elect Roosevelt, during his term in the White House, put an embargo on the export of gold from the United States, was the opinion expressed by Yunosuke Yasukawa, a director of Mitsui Bussan and one of the nation's leading businessmen in Tokyo last week. Warning the country at large to expect this probable eventuality and to prepare for the reaction of this "appalling occurrence" on Japan, Mr. Yasukawa predicts that a possible embargo on gold shipments by the United States will bring the Yen exchange rate up to 30 or even 40 cents. This prediction was made in the course of Mr. Yasukawa's view on the prospects for the present year of Japan's financial, commercial and industrial endeavors.

It is Mr. Yasukawa's opinion that the present year will witness an improvement in Japanese finance, economy and trade provided there are no marked changes in the financial and political situations.

"The number of unemployed will decrease, the earning power of the people will increase and the farmers will enjoy better times," Mr. Yasukawa declared. He continues:

"The thing which we must carefully watch in this connection is our foreign relations. For instance, we should closely follow the activities of the League of Nations and China and the financial situation in the United States, as it is those questions which will have the greatest bearing on the future well-being of our financial, economic and industrial condition.

"It is my observation that President Hoover's inflation policy has had no effect in ameliorating the distressful conditions in America. For this reason it is my opinion that President-elect Roosevelt, following his assumption of office, may place an embargo on the export of gold from the United States. If Mr. Roosevelt does this, the reaction on Japan will be the abrupt rise of the value of the Yen to between 30 and 40 cents. This will come as a terrible shock to our financial world and for this reason we must keep this probability in mind and prepare for it."

"Christ Is Wounded"---Reaction to "Re-Thinking Missions"

Up until last week no U. S. Protestant denomination had given full, official approval to *Re-Thinking Missions*, the report made public last month by the Laymen's Foreign Missions Inquiry. Of the seven denominations whose laymen were concerned in the Inquiry, only three mission boards—Methodist, Baptist, Congregational—have guardedly agreed to co-operate.

Last week two more churches made known their position. The General Council of the Presbyterian Church in the U.S.A. revealed that at a meeting in Chicago three weeks ago, it had unanimously pronounced the report "virtually a denial of evangelical Christianity." The Presbyterian Church would, of course, sympathetically consider every "forward-looking policy" but never would it "abandon the New Testament position and surrender the only hope the world has of overcoming the insidious atheism and agnosticism of our generation." Another Presbyterian objection: "We confidently expected that an increase in missionary enthusiasm would result from the Commission's Report, but fear that at least in some quarters it may have the opposite effect."

Added the Spiritual Emphasis Committee of the General Council: "It is not alone the enemies of Christianity that challenge the Gospel, but Christ is wounded in the house of His friends."

The evangelical content of *Re-Thinking Missions* was also too meagre for the United Presbyterian Church of North America, whose Board of Foreign Missions repudiated its "deflection from the fact that Jesus Christ is the only and eternal Son of God."—*Time*, Dec. 12

Japanese Securities Drop in London

The political situation and the fear of possible complications in the Far East were responsible for dullness in Far Eastern securities, particularly of Japanese values on the London mart during the past week. The somewhat better tone of the Chinese securities is justified by the fact that China, since last year, has energetically pursued realization of her program of industrial organization. The results laready reached create optimism among those who have invested funds in the restoration of China. As a matter of fact, the declines registered during last week in the division of Chinese values are, despite the profit-takings provoked by a rather menacing situation, comparatively slight.

Despite the improvement of the foreign trade balance of Japan, the 4% Loan of 1910 lost one point at 47½, and the 6% Loan of 1924 went down three points to 66½. The 4½% Loan of South Manchuria Railway declined by 2 points to 70.

Col. Kilgore to Succeed Late Col. Hooker as Commander of U. S. Marines

Colonel Fred D. Kilgore, who has been Chief-of-Staff under the command of Major-General Logan Feland of the Department of the Pacific in San Francisco, has been appointed to the command of the Fourth United States Marine Corps at Shanghai in succession to the late Colonel Richard S. Hooker.

Col. Kilgore, who will sail from the West Coast of the United States on February 17 for Shanghai, served in Shanghai during the 1927 troubles when he was second-in-command to Colonel C. S. Hill. After the death of Col. Hill in September, 1927, Col. Kilgore assumed command of the units until the appointment of Col. H. C. Davis in the interim.

Dr. H. H. Kung to Be Appointed Minister to Italy

Dr. H. H. Kung, former Minister of Industry, will shortly be appointed Chinese Minister to Rome, according to recent advices from Nanking. Dr. Kung is 51 years of age and is a direct descendant of Confucius of the 75th generation. He is a graduate of both Yale University and Oberlin College, and is related to Dr. Sun Yat-sen by marriage, having married into the same family, Madame Kung and Madame Sun being sisters. He is also related to General Chiang Kai-shek, Madame Chang being the youngest sister of Madame Kung.

Dr. Kung departed from China last year in order to investigate industrial conditions abroad.

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One-Arm Sutton and His Profitable Intrigues with Chinese War-Lords

(Gen. Frank Sutton, British soldier of fortune, who amassed "countless millions" as an adviser and munition maker for Chinese war-lords of a generation ago, has returned to China and is at present in North China. The following article is a portion of a longer biographical sketch which Sutton is now contributing to Hearst's Cosmopolitan Magazine, N. Y. The portion of the article which preceded the part printed herewith, dealt with Sutton's adventures as a gold miner and trader in Siberia prior to the coming into power of the Soviets. The sum of $60,000 which Sutton realized from his Siberian adventures was lost in speculation in Shanghai, hence he sought to recoup his fortune by assisting Chinese war-lords, Wu Pei-fu, Yang Sen, Chang Tso-ling and others).

ALL China was fighting. It seemed to be a most profitable business. I knew how to make and use guns. Why not profit by my knowledge?

So I set out to look for a war lord whom I might serve, and from whom I might be able to extract sixty thousand dollars in six months!

"China," I thought, is a country without good roads. I must build a gun that can be carried coolie-back wherever a man is able to walk."

My problem was to find a gun that was easy to manufacture and operate, that would shoot at least a mile and would make a great smoke and noise on explosion. The Chinese are terrified by bombs that explode with a roar and kick up a lot of dust!

I built my first gun in a Shanghai factory. I had no shells for it, but since there was no sale for the gun in Shanghai, I decided to go to Hankow and complete the job there.

Hankow was about four days distant six hundred miles or so up the Yangtze River by steamer. It was, at that time, the headquarters of Wu Pei-fu, who controlled nearly the whole of Central China, a war lord after my fancy—a man of courage, integrity and ambition.

I arrived in Hankow in the autumn, and spent the next two months making shells for my gun and trying them out. When at last I got gun and shells to my liking I arranged for an interview with Wu Pei-fu. We met in his yamen in the outskirts of Hankow; and there, in his courtyard, I displayed my gun.

"Shoot 'em over the town," he said, "and let's see how they go!"

I was able to prevent this unnecessary massacre of noncombatants only after the most diplomatic arguments and polite subterfuges. We Pei-fu could not understand my reluctance to destroy a few citizens of Hankow. He dismissed me, turning on his heel with a characteristic quick salute.

As he turned away, he little thought that three years later, in his final test of strength with Chang Tso-lin, the war lord of the North, these same guns would defeat and crush his army of five hundred thousand men; that because of this very weapon he would be a fugitive.

Szechwan Interested in New Gun

One day a well-dressed Chinaman called at my flat in Hankow. "I am a General," he said. "I come from the Province of Szechwan."

This meant nothing to me. I had never head of Szechwan.

"I was sent to you by the governor of the province,' the stranger explained. "News travels fast in China. We in Szechwan know that you have an excellent gun." He produced a map, which he spread before me. Placing his finger on a little yellow patch, he said: "The Province of Szechwan, sir! Two thousand miles up the Yangtze River."

I could not see the sixty thousand dollars I needed coming from that tiny pin prick on the map of China. I said nothing, but I must have looked both doubtful and amused, for he said quickly:

"There are sixty-seven million people in Szechwan, Sir! Twice the population of your England!"

I made a quick calculation. "Sixty-seven million people," I thought. "A tenth of a cent from each person would bring me sixty-seven thousand dollars, more than enough to cover my overdraft! Surely my services are worth a tenth of a cent to the people of Szechwan!" And so I accepted his offer.

There remained only the difficulty of getting my gun aboard one of the river steamers. The customs officials knew that I had such a gun and were watching for a chance to confiscate it. I therefore armed myself with a bottle of whisky and a hundred dollars in cash, and went aboard a steamer scheduled to sail within a week. The engineer was an old Scotchman. I found him sympathetic and the whisky further softened his heart.

Patting the hundred dollars, he whispered, "If your gun has to go to Szechwan. it can go as a length of propeller shaft. Why not? And damn the Chinese!"

The following day, wrapped in burlay, the gun was carried aboard under the inspector's nose. Fifty shells, disguised as engine-room spares, followed. When the interpreter and I went aboard it was as innocent tourists. not as hired mercenaries summoned by a Chinese war lord to overwhelm his enemies.

We arrived at Chungking, treaty port of Szechwan Province, early one morning and I shall never forget my first glimpse of the city. It is a city of seven hundred thousand people, built on the slopes of a high promontory. The houses clung like swallows' nests to the hillsides, and steep flights of stone steps tipped against the precarious slopes.

As we drew up to the wharf, I saw that a regiment of soldiers waited to receive us. I was enormously cheered by this show of martial courtesy.

I went ashore to the fanfare of trumpets, to find awaiting me an imposing chair carried on the shoulders of four men in brilliant uniforms. I was invited to seat myself and told that General Yang Sen, military governor of Chungking, awaited me at the yamen above.

I took my place in the gayly decorated palanquin. The bugles blew, the drums rolled and away we went, bearers toiling up the steep steps—a triumphal procession! I felt like Tiberius Maximus, carried in his letter through the streets of Rome during my progress into General Yang-Sen's presence.

"You have been awarded the post of Director of Munitions, Captain Sutton," he said.

That night I was entertained at the house of a wealthy political leader of Chungking, one Loenzu, who had, I discovered, been responsible for sending the envoy to me in Hankow.

"We need men like you in China," he said politely. "Our methods of warfare are antiquated. We do not move with the times. We are like a sluggish river that crawls slowly forward between its banks, mirroring the tranquil sky, full of weeds—never getting anywhere. I look to you, Captain Sutton, to dig new channels, deeper, swifter, to the sea!"

After two or three days of the usual wrangling, I came to terms with Yang-Sen. I was to be paid fifty thousand dollars when I proved that my gun could throw a shell made in their mint at least two thousand five hundred yards, and fire twenty rounds a minute.

In about ten days I produced a stock of shells sufficient for a test. They met requirements as to range and rapidity of fire, and I got my fiifty thousand dollars! In addition, I was to receive a salary of twenty thousand dollars a month for six months.

Every two weeks I reported to the Director of the Mint and received from him ten thousand dollars in silver. It took half a dozen stalwart coolies to carry the money to my house.

So it happened that a few months after my departure from Shanghai, I was able to pay my overdraft.

Minister of Munitions for Yang Sen

This was the beginning of my experience with China's war lords—an experience which made me in turn minister of munitions for Yang Sen and defender of his mint. When his city fell to his rival Ma-Yu-Ching, the latter sent his colonel and adjutant to promise me safe conduct. I was to approach their commander under the White Flag.

It was midnight of a cloudy night. My interpreter and I followed the envoys.

Ma-Yu-Ching had established headquarters in a farmhouse. Two or three hundred evil-looking soldiers were hanging around the yard unarmed, fortunately. As

they stood aside to let us enter, the interpreter whispered: "They're going to kill us! I heard them say so!"

"We'll have to go in, nevertheless," I said.

General Ma-Yu-Ching awaited me in a large room lighted by oil lamps. He was seated alone at a table, his face in shadow. A little distance to one side five men stood at attention with fixed bayonets. Yellow faces peered in at every window. The doorway was packed with chattering, curious soldiers.

The colonel and his adjutant introduced me to the General. He had a fine walrus mustache—most uncommon in China. It drooped over his mouth, after the fashion of a Chinese theatrical mask, giving to his face a saturnine expression. He rose and bowed to me.

I didn't like the look of the five men standing to one side with fixed bayonets. I said to my interpreter.

"Tell Old Whiskers that it is not customary in my country to have an armed guard present during a peace parley."

The terrified fellow held up both hands imploringly. "Don't make him angry, please! We are in great danger!"

"Do as I say! Tell him to order his men to unfix bayonets!"

The interpreter turned to the General, and with fluttering, deprecating gestures, made the request in Chinese. The General smiled and gave the order:

"Unfix bayonets!"

One of the men, in complying, let his rifle fall with a crash to the floor. I turned my head quickly and heard the interpreter gasp. I jerked my head around again, and found myself looking into the business end of a Mauser pistol.

I reached for my own pistol, ducked my head to one side, as a bullet whizzed past my ear. I pulled my Colt, and as the General fired again, I plugged him nearly.

The guards were so occupied with the intricacies of unfixing their bayonets that I had a chance to turn. A spatter of shots from the window. The poor interpreter got a bullet through the head and fell at my feet.

I knew I could do nothing for him. I fired the remaining shots in my pistol into the crowd at the doorway, and dashed out through the gate.

Fortunately, my own outposts recognized me and let me into the mint again.

After this I decided to go north again to Russia. I had paid off my overdraft and had a little working capital. After the heat and muck of the Yangtsze, I longed for the clean snows and bright skies of Siberia.

Stops off at Mukden Sees Chang Tso-lin

On the way I stopped off at Mukden to see Chang Tso-lin. I had heard that he was a man of progressive ideas, ambitious and keen. At this time he was governor of the three northeastern provinces, the richest in China, inhabited by hardy, reliable northmen, very different from the rats of Szechwan.

"Perhaps I can make this little ruler of twenty million people branch out a bit," I thought. "Perhaps I can induce him to conquer the other four hundred million as the Manchus did, centuries ago!"

I called on him.

Yes, he was little—but only as Caesar and Napoleon were little. In every other way the old Marshal of Mukden was a big man—plucky, ambitious, and yet with a fine primitive code of honor which many of our leading Western politicians would be the better for having.

This was the beginning of the five years' association with this extraordinary man, during which I became Chang Tso-lin's Chief of Staff and Director of Munitions, and during which he not only defeated his rival, Wu Pei-fu, but conquered the whole of China, save only the southern provinces in the vicinity of Canton.

But this, as the Walrus said, is another, longer story!

New Nanking Hospital to Be Opened March 1

March 1 has been set as the date for the formal opening of the new building of the Central Hospital at Nanking. Building construction is practically completed and interior fittings will be installed immediately.

The Central Hospital, when completed, will be one of the best equipped instiutions of its kind in the country. The erection of the new building was made possible through generous donations from citizens all over the country. Sun Fo, president of the Legislative Yuan, and Hu Wen-hu, the well-known overseas Chinese philanthropist, were among its most zealous promoters.

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Are Chinese Students Demoralized in the Present Crisis?

BY HOH CHIH-HSIANG

"A DYING nation has no voice. It is because China is not yet a dying nation that she has found a voice in her students." This was the tribute paid the students by Eugene Chen, China's vitriolic diplomat and former Minister of Foreign Affairs, in the *People's Tribune* at Peiping several years ago while commenting on the significance of the March 18th Student Tragedy of 1926. The occasion for the tragedy which involved the killing and wounding of a large number of a students at Peiping by the Chinese acolytes of the Alien Imperialists, was a huge student demonstration held on that day, protesting against the bombardment of the Taku Forts at Tientsin by Japanese warships and the subsequent joint presentation of humiliating demands to the Peking Government by the Diplomatic Corps in connection with the growth of the Nationalist Movement which was then rapidly gaining strength in the South. In order to conciliate the foreign Powers, particularly Japan, and to maintain itself in power, the then Peking Government under the Chief Executiveship of Tuan Chi-jui was compelled to take drastic action to suppress the student patriotic movement which resulted in the tragedy. Aside from its international significance, this incident is memorable at present in two other important respects. First, it serves to demonstrate that the students, more than any class of people in China, always take great interest in national welfare and never hesitate to show their patriotism in terms of personal sacrifice. Secondly, the cause of its occurrence was directly due to an act of Japanese aggression. This relationship between the students and the Japanese aggression gives the incident an added significance in view of the sudden apathy of the students toward the present Japanese invasion of North China which will be given detailed consideration in later paragraphs.

Since the establishment of the Republic, the students have played a very significant and historical role in Chinese politics, both internally and externally. Their sacrifices and achievements constitute a glorious page in the Republican History. Particularly, in its external aspect, the famous Student Movement which began in 1915 was from its inception identified with its opposition to the Japanese aggressions on China. The first occasion which gave rise to the movement was the presentation of the "21 Demands" by Japan to China during the Great War. It was largely due to the activities of the students that the whole nation was first aroused over its great crisis and that May 9, 1915 went down in Chinese history as a "National Humiliation Day" to perpetuate the memory of the humiliations of the occasion. The next occasion for another flaring-up of the students, which was featured with the first gigantic student parade at Peiping and the subsequent nation-wide student strike, was the unjust award of Shantung to Japan by the Paris Peace Conference in 1919. Realizing the betrayal of China by the Allied Powers and the evil designs of Japan on China, the students forsook their studies and staged a huge demonstration throughout China, protesting against the treacherous decision. It was again principally due to their patriotic efforts and the heavy pressure brought by them on the then Peking Government that the Chinese Delegates desisted from signing the Paris Treaty, recognizing the validity of the award. In the May 30 Tragedy in 1925 at Shanghai when unarmed students were fired upon and dozens shot to death by the British Police while making a demonstration against the killing of a Chinese worker by a Japanese foreman in a Japanese cotton mill, the students played an even more important role and confronted the alien Imperialism directly in the face. Their sacrifices on that occasion not only served to further arouse the public sentiment over the nation's critical state, but also greatly helped to accelerate the advent of the Nationalist Movement. The influence of the students in this connection can hardly be over-estimated. It is indeed no exaggeration to say that without the active participation and support of the students, the Nationalist Revolution could never have been brought to a successful conclusion and the country unified under the Kuomintang.

In the light of these considerations, both internally and externally, the Chinese students have rendered great services to the nation which, except for their activities and sacrifices, would continue to remain in a lethargic state and would not have awakened to its precarious position. The nation, having been bitterly disappointed with militarists and politicians for its salvation, has pinned its hope on the rising generation,—Young China. To the students, it looks as saviors and regenerators of the country. Thus far, the students seem to have lived up to the country's expectations and given every evidence to justify the faith placed in them.

When the Mukden Affair broke out on September 18, 1931, it was the students whose voice of protest was the loudest and whose patrotic sense most convincing. Outraged by the sudden and unprovocative attack on the Three Eastern Provinces and realising the gravity of the situation, the students voiced their indignation by words and action and appealed to the Government to resort to force to recover the territory seized by Japan. Students from the North, particularly Peiping and Tientsin, as well as their fellows from the South, Canton and Shanghai, converged on Nanking to demand the Government Leaders to take strong measures to resist the Japanese aggressions. The weak policy of Dr. C. T. Wang, then Minister of Foreign Affairs, was denounced—which unfortunately resulted in an assault on Dr. Wang's person in order to give vent to their patriotic indignation. Feeling was running high throughout the country over the Affair, particularly pronounced among the students. Despite some irregularities of their conduct, their patriotic motive and devotion to the cause of national salvation were never questioned. As the Manchurian situation developed with growing seriousness, high-spirited students banded themselves into volunteer corps and offered their services to the Chinese forces in Manchuria. Some parties of students actually proceeded to Manchuria and actively participated in the operations at the front. During the Japanese hostilities in Shanghai last Spring, the students rendered equally valuable service to the famous 19th Route Army. The University students assisted the army in doing defense work and performing other non-commissioned duties on the battlefield, while the middle school students organized themselves into boy-scouts and served as messengers to the Army. Several students were actually killed while thus serving in the Army.

However, to the surprise of all, not the least of themselves, since the conclusion of the Shanghai hostilities, the students have become suddenly and significantly quiet and inactive. The surging and violent patriotic wave which characterised their activities during the early stages of the Manchurian occupation and immediately before the outbreak of the Shanghai War seems to have completely subsided and on the other hand, a spirit of indifference and apathy on their part toward the continued Japanese aggressions in China becomes ominously noticeable. This curious reaction towards inactivity and lack of interest in the present national crisis calls for explanation. While it may be said that the authorities have restrained their activities in order to avoid giving provocations to the Japanese, yet this explanation does not accord with facts, for no greater or stricter restrictions have been placed on their activities than before. Therefore, explanation must be sought elsewhere to justify or discredit their present apathy. If their lack of interest in the present serious national situation were due to and caused by their over-concentration on their study, it would have deserved high commendation, for devotion to study is the best way to help the country in their present position as students. But this is far from being the case. Without belying the facts it seems that the explanation of their conduct can best be sought on the ground of their demoralization, the process which has in fact been in progres for a long time and culminated in its present reprehensible form at Peiping.

Among many indications of demoralization of the students, in discipline, dissipation, lack of interest in

study and the present indifference to national affairs, the recent *Reuter* message from Peiping that the students led in the exodus of the population from Peiping in fear of an imminent descent of Japanese on that city makes most disheartening reading and casts an indelible slur on their past notable record. According to the message and the Chinese reports to the same effect, the students have become almost nervous over the present Japanse invasion of North China and demonstrated the least enthusiasm in the situation except the concern over their personal welfare and safety. While some middle school students occasionally voice their indignation over the situation, the university students — men of supposedly high education and mature age—engross themselves in dissipating activities, such as erotic adventures, skating, dancing and other forms of dissolute life despite the present grave crisis. Under the pretext of dangerous situation as a result of the Japanese renewed aggressions, the students ceased class work of their own accord and refused to take Winter examinations. While a large number of them is reported to have left Peiping to seek safety in their homes in the interior, those who remain continue to be absorbed in dissipating activities. According to further messages from Peiping, only one-third of the students of Tsinghua University took the examinations; the other two-thirds all asked individual absences and evacuated Peiping for "safety zones."

The behavior of the students at Peiping amidst the present crisis deserves strong condemnation and the nervousness they displayed and their continued interest in dissipating activities are the most contemptible features of their conduct which can only be ascribed to their own demoralization. Perhaps, few realise but none can deny that in the demoralization of the students, China now faces a more grave and fundamental national crisis than that created by the present Japanese armed invasion. For a country which is militarily weak at a given time in its history can always recover and re-generate itself, but a country which loses its vitality and strength in the demoralization of its youth is absolutely hopeless and doomed to national extinction. To quote a common saying "Students of today are leaders of tomorrow," what can China expect from those of her students who ignominously flee from the mere fear of the Japanese presence and who exploit that fear to escape from study and examinations? Could their demoralization go further? If the students are really fit for leadership in future and have the welfare and interest of the country at heart, they should at least demonstrate some courage and fortitude in facing the crisis and remain in school to attend to their studies despite the "dangerous situation." Further in view of the present Japanese menace to North China, they can render valuable services to the country. With the "front" so near to them, they can easily take active part in fighting against the Japanese; if they do not relish the field life with its attendant dangers, they can likewise do some useful and practical work in the rear by assisting the army in constructing defense works. Again, they can form themselves into field relief corps to assist the army in solving the problem of casualities. Indeed, the students can be of immense value and service to the army at present in the North, if they can only relax a little in their dissipating activities and subordinate their personal safety to the welfare of the country. Should the attractions of the Old Capital prove too much for them to resist that they lose an interest in the Japanese invasion of North China, they should at least mind their duty as students and attend to their studies. But unfortunately, not only are they deserting this primary duty of study, they defy all discipline and the reasoned persuasions of the school authorities by leaving Peking for home without first obtaining permission. Such unruly and unseeming conduct on the part of the students is indeed most discouraging and makes the future of China look very pessimistic.

The government authorities at Nanking are also severely condemning the action of a certain group of students in Peiping who take advantage of the present situation in the north to evade study. In an interview to the press, Vice-Minister of Education, Tuan Hsi-pang stated that the students constitute the most precious elements of a nation. At the time of the Japanese invasion of Shanhai-

(Continued on page 353)

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The connexion between the nerves and the digestive organs is so intimate that any derangement of the former immediately effects the latter. This is illustrated by the way in which a nervous upset, such as bad news at mealtime, instantaneously destroys the appetite.

Nerve weakness causes nervous dyspepsia with resulting malnutrition, which in turn aggravates the existing conditions.

For nervous and digestive troubles you need independent aid to break the vicious circle—a course of that splendid blood and nerve tonic

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This famous tonic comprises a formula discovered by an eminently successful physician of Edinburgh University. The formula has the faculty of oxygenizing the blood to a remarkable degree, thus increasing the haemoglobin with the eventual effect of increasing the number of red corpuscles in the blood. This rehabilitation of the bloodstream builds up new health from the only basis on which permanent results can be expected. Once the blood is in a plentiful rich and pure condition, the nerves receive the nourishment they require, the digestive system is invigorated, and, in fact, the whole system revitalised.

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By Enriching and Increasing the Blood.

For Anaemia	Nerve weakness	Insomnia
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Premature age	Back Pains	Aching limbs
Rheumatism	Sciatica	Women's ailment

And After Malaria And Other Debilitating Illnesses.

Matsuoka Interprets Japan's Uncompromising Attitude

Yosuke Matsuoka, Japan's delegate at Geneva, in the Jan. 6 issue of the "Tokyo Asahi" made a report on his work at Geneva to the following effect.

"At 10.30 a.m. the next day of my arrival at Geneva, I saw Sir Eric Drummond first of all and among other things briefly and straightforwardly stated Japan's standpoint and the actual conditions in the Orient. By Nov. 21 when the Council was scheduled to open I had finished visiting several Powers' representatives. As to what I said at those interviews I regret my inability to speak out here. I made our standing clear to them as in the case of my visit to Sir Eric. To speak a little more concretely, these calls were made as preparatory measure to get our standing free of any misunderstanding in the Council session. Special emphasis was placed on the fact that as regards the existence of Manchukuo and Japan's recognition thereof Japan's attitude would never be altered and that in the event of there arising a case which fundamentally disagrees with the safe existence of Japan and the basic principle of peace maintenance in the Orient, which is an important state policy of the country since the Meiji Restoration, Japan, though with tears of regret, could make no scruple to withdraw from the League. In addition to this I assured them that although there are in some quarters in Japan those influential persons who insisted in earnest on the advisability of quitting the League at the earliest opportunity, yet the majority of the people agree to continue, thus remaining faithful to their thirteen years' attitude—a fact which speaks eloquently for itself.

"On arriving at Paris I was surprised to hear that in Geneva there was prevailing a rumor to the effect that Japan had come to show a compromising attitude. At Geneva I realized the gravity of the rumor and at once embarked on annihilating it in real earnest. Whether the groundless rumor emanated from those who tried thereby to safeguard their own standpoint or from the Chinese camp in an attempt to handicap the enemy's leader or from both, I cannot make out, but as my activities developed there appeared those who pretended that, "Matsuoka is drawing the long bow; the Japanese Government is not so strong as the individual Mr. Matsuoka." It was just at this time that a report endorsing such a rumor came from Tokyo in a form similar to that which usually springs from official circles. Some of our compatriots here who are connected with officialdom came to take up the report seriously. It was nonsensical, but none the less a confounded nuisance. Probably this was the fruit of propaganda. We cannot but own that since last autumn Japan has been beaten by China in "demonstration"; not only in propaganda work but in the League of Nations we have been fairly severely knocked down, to be frank. It is not an easy task to destroy preconception, and in trying to extirpate the anti-Japanese preoccupation deeply gnawed in men's hearts I may be attempting to do what is beyond my power to accomplish. As was explained in my address to the people a few days before I left Tokyo, I, in the pious spirit of fearing God, determined to tackle the difficult situation of the country by simply showing Japan and the Japanese spirit as they really are.

"On the night of November 19 at the meeting of the compatriots sponsored by Ambassador Nagaoka, I spoke on the same topic and in the same spirit and all were moved to tears. The heart-to-heart talk I enjoyed most was that with Paul Boncour, but it was the Chairman of the Council, Eamon de Valera, that made the strongest appeal to me as a man. A man like him who has lived a prison life and narrowly escaped death by shooting, has something uncommon about him; the unconventional manner in which he presided over the Council smacks of being unexperienced, but this very shortcoming attracts us most. He is a man of unaffected manner—a natural, honest man. When I first met him, the humanness in him moved me to emotion in spite of myself and on grasping his hand when leaving I spoke to him almost unconsciously, "We Japanese believe that nothing but God can pass judgment. We stand before God. Probably partly due to being Orientals we believe in an iron law of cause and effect that is absolutely uncompromising. We hesitate to enter the kingdom of Heaven when we commit sin. If we have erred, we only have to expect to fall into the Hell." Mr. de Valera smiled bitterly. What impressed me most was that he himself echoed "Heaven" just at the moment I pronounced the word. I know the world abounds in men who prize and safeguard dignity fastidiously; in company of such people even with my rudeness I am unable to utter a single word of my remarks made to Mr. de Valera.

One of the special features of the Geneva atmosphere is, I am very often told, that it is permeated with the "fog" of secret plots. It is even said here that sensitive visitors can feel it by instinct on setting foot on the Geneva soil, although to me who lived here but a short time such an allegation sounds enigmatic. I know there is a certain Swiss paper published here which is bent upon attacking Japan at every turn of events even by making up a story out of the whole cloth. I wonder whether the idea of founding a palace of world peace in such a place was not grossly mistaken, and whether impartial discussion for world peace can be made in such an atmosphere.

"A certain big Power's delegate spoke to me saying 'the League is a sort of club and we have to discuss things in it in that mood.' I quite agree with him. We have in Japan too many jurists who stick to hard and fast lines. The club-like atmosphere is therefore most welcome."

Miss Soumay Tcheng Accused of Misappropriation

Charges of misappropriation of court funds when in office have been brought against Miss Soumay Tcheng, noted Chinese woman lawyer and former judge of the Nantao District Court by Kao Yu-tang, member of the Control Yuan, according to Chinese press reports from Nanking. The charges have been brought under 22 separate counts, one count alleging the misappropriation of $22,502.14 from the account of Chang Chi-ping. Mr. Kao also has accused the present judge of the court, Yang Chao-yuin, of being implicated in the alleged misappropriation, Mr. Yang being a brother-in-law of Miss Tcheng and successor to her in the judgeship.

It is alleged that during the administrations of Miss Tcheng, numerous charges were filed accusing her of negligence of duty and nepotism, but that these charges were refuted by the government on account of her outstanding position. Mr. Kao, in his charges, demanded punishment of the former official as being necessary for upholding the honor of the Chinese judicial system.

World Embargo on Arms Sought by U. S. State Department

The U. S. State Department is planning to conduct negotiations with the principal nations in Europe to obtain an agreement in principle on the Hoover proposal to bar the shipment of arms to warring nations. President Hoover has asked Congress to authorize the President of the United States to place an executive embargo on such shipments whenever the leading arms manufacturing nations agree to co-operate. At present arms may be shipped by American munition makers and the President cannot prevent the shipments. In his message to Congress, President Hoover did not ask that the United States to proceed alone in the matter.

A series of treaties, such as are now being planned by the State Department, would have about the same effect as the Geneva Convention signed in 1925, but never ratified by the United States Senate.

Pearl S. Buck Is Called Renegade Missionary by Presbyterian Churchman

Mrs. Pearl S. Buck, author of "The Good Earth," was described as a "renegade missionary" by the Reverend John C. Monsma, secretary-general of the Reformation Fellowship in an address to the Philadelphia Presbytery at Philadelphia, Jan. 10. The Secretary declared that Mrs. Buck had been criticizing the type of missionaries that were sent to China despite the fact that the Church had been providing financial support for her over a long stretch of years. He was particularly irritated, he said, by Mrs. Buck's description of some missionaries as "narrow, uncharitable, unappreciative, ignorant."

ARE CHINESE STUDENTS DEMORALIZED IN THE PRESENT CRISIS?

(*Continued from page 351*)

kuan, it was reasonable to expect the ignorant masses to feel nervous, but it was shocking to hear that university students who had boasted their patriotic feelings were demanding the early closing of their schools and suspension of winter examinations. Previously, he pointed out, the same students who posted placards urging the people to insist on their Government to adopt a firm attitude. Yet, they were the first ones to flee from Peiping. Such behavior could be interpreted as a sign of weakness on the part of Chinese youth.

A foreign professor in Peiping, commenting on the conduct of the students, says that during the Great War, classes were held as usual in various countries even though enemy airplanes were flying over school buildings. Instead of shouting to the top of their voices that they would join the volunteer corps, the students pursued their studies quietly during the four years of war.

Despite these adverse criticisms on the part of the public and the Government authorities, the students do not seem to have fully realised their error and contemptible actions and many continue to defy the orders of the school authorities to take the winter examinations. This is indeed a very unfortunate situation which has developed among the students at a time of a national crisis. If China can not expect better things from her students, particularly those at Peiping, would it be too much to commend them to the example of the students of the belligerent countries of the Great War and muster sufficient courage to brave their fears and remain at their desks?

Netherlands Indies Japan's Best Cotton Goods Customer

The Japan Cotton Textile Exporters' Association announces that the cotton goods exported from Japan last year totalled 844,451,000 square yards, Yen 139,070,000 in value, showing an increase of 328,641,000 square yards (over 60%) in quantity and Yen 46,340,000 (over 50%) in value compared with the previous year.

Principal countries of destination were the following:

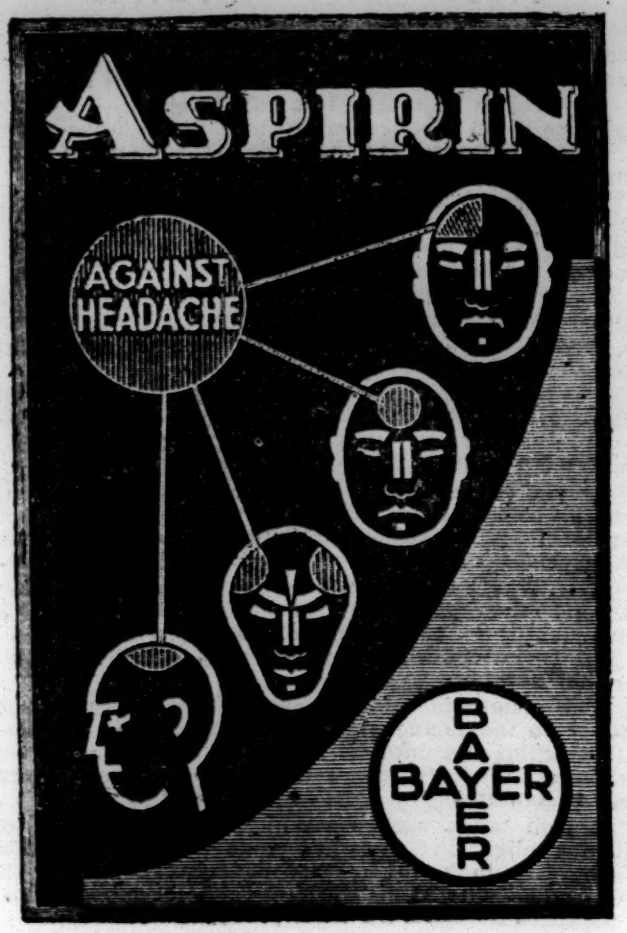
	1932	1931
	(Unit-1,000 sq. yd.)	
Netherlands Indies	210,171	117,252
British India	168,304	70,687
China	151,607	140,897
Kwantung province	40,647	10,887
Hongkong	15,907	33,203
Philippines	14,426	15,962

Air Plane Mail Service to North China Successfully Inaugurated

The airplane of the China National Aviation Corporation, which left Shanghai on Thursday morning, Jan. 12 for Peiping to inaugurate a regular air service between the two cities, returned to Shanghai from the former capital on the afternoon of Jan. 15, making the round trip successfully in extremely cold weather. The plane was piloted by Capt. E. M. Allison. As announced by the Aviation Corporation, planes of the service will only carry mail matter for the time being, but will start to carry passengers next month. The inauguration of the air service between here and Peiping was originally scheduled to take place on January 10, but had to be postponed for two days on account of the foggy weather. According to the present arrangements of the China Aviation Corporation, three flights will be made a week from Shanghai to North China, these to take place every Tuesday, Thursday, and Saturday.

Bill Introduced in Senate to Have U. S. Buy More Silver

A bill authorizing the United States Treasury to buy $250,000,000 worth of silver bullion by the issue of silver certificates was introduced in the U. S. Senate Jan. 9, by Senator Clarence C. Dill (Democrat), from the state of Washington. The silver certificates would be legal tender for all debts, and the silver bullion would be purchased at market price up to a maximum of $1.25 an ounce.



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Men and Events

T. C. Britton was scheduled to give a travelogue on the Island of Bali at the meeting of the Shanghai Art Club, Friday, January 20, at the club house, 55 Hart Road.

Particulars of a free trip to the Leipzig (Germany) Fair are given in an advertisement in this issue of *The Review*. Application is to be made to the Shanghai representative, 19 Yuen Ming Yuen Road.

Members of the staff of the Peiping Palace Museum, assisted by about 300 workmen, are busy packing up the valuable relics preparatory to transporting them to Nanking and Loyang for safekeeping.

Work has been begun in Moscow on a new talking picture which deals with the Russo-Japanese war of 1904-05, entitled "Tsushima," named after the island near which the Baltic fleet suffered its decisive defeat.

The *New York Times* recently observed that high tariff rates have not saved the United States from suffering more severe declines in farm prices, industrial activity and foreign trade than any other country.

Mayor James Curley of Boston is mentioned as the probable new Governor General of the Philippines, to be appointed by President-elect Roosevelt as a reward for helping smooth out the latter's troubles in Massachusetts.

J. H. Wharton, of the legal department of the International Telegraph and Telephone Co., who has been in Shanghai for the past several months in connection with I. T. & T. matters, is planning to depart at an early time for New York.

The resignation of Dr. John C. H. Wu, Chinese legal adviser to the Shanghai Municipal Council is imminent, following his appointment last week as one of five new members of the Legislative Yuan of the National Government at Nanking.

Six oil tanks, each containing 20,000 gallons of oil catching alight in succession resulted in a tremendous conflagration in the Jotoh Ward of Tokyo, Jan. 16. The fire originated in the compound of the oil refining factory of the Osira Kerosene Oil Co.

R. E. Sassoon, millionaire sportsman, died in London Jan. 16 as the result of injuries sustained at Lingfield Park on January 11, when his mount fell at the Weald Handicap Steeplechase. Captain Sassoon took part in steeplechase races in Shanghai last Spring.

Miss E. H. Simpson, Secretary of the China Society of New York, arrived in Shanghai on Monday, January 16, on the Dollar liner *President Garfield*. She is stopping at the Cathay Hotel. On Monday evening she was guest of honor at a dinner party given by Dr. Anne Walter Fearn at the Royal Hotel.

The National Government by a mandate issued Jan. 14, promulgated a set of regulations providing that all foreign goods destined for importation into China must bear labels showing the country of origin. The regulations in general are similar in character to those imposed by the United States and other countries.

The Post-Mercury Co., Fed. Inc., U.S.A. commenced the publication Jan. 16 of an evening Chinese language daily newspaper called *Ta Mei Wan Pao* (Great American Evening Newspaper), which four Chinese words are also the transliteration used by the English edition of the *Shanghai Evening Post* itself.

H. D. Rodger, U. S. attorney, brought an action in the Shanghai First District Court Jan. 15, against R. K. Raphael in a claim for fees for the incorporation of R. K. Raphael and Company, money advanced to defendant for cables and seal and share certificates. The total claim was $786 and Tls. 300. Judgment was reserved.

Mrs. Chiang Kai-shek is taking the lead in Nanking in organizing a campaign to raise funds for the relief and encouragement of the northern troops now resisting the Japanese invaders. Prominent women leaders in the Capital, including Mrs. Tai Chi-tao, Mrs. Shao Yuan-chung and Mrs. Ho Ying-chin, are lending their support to the movement.

The Bureau of Public Safety of Greater Shanghai Municipality has issued an order prohibiting the use of fire-crackers on Chinese New Year's day, on the ground that they will cause disturbance among Shanghai residents. In this, the Municipality is in line with the general practice in the United States where (at last in theory) fire-crackers are forbidden on Independence Day. Many people, however, feel that this is a mistaken policy in a world where the public generally is being daily inured to disturbances and destruction of a much severer character.

Offices of the standing committee of the China Aviation Association have been established at 99 Jessfield Road, Shanghai. Dr. Lin Wo-chiang, air law expert of the Bureau of Aeronautics of the Ministry of War, who is visiting here, was elected chief secretary of the committee at a meeting held Jan. 14, at Bankers' Club building.

Siemens China Co., which is the China branch of the various Siemens companies in Germany, is distributing to its customers very useful pocket diaries for the current year. The diaries are printed in Germany and are exceptionally neat. In addition to the usual space for diarial notations there are many pages of useful information, particularly valuable to engineers.

Sir Frederick Maze, Inspector-General of Customs, departed from Shanghai for Hongkong this week to inspect customs offices in South China. He will first inspect the customs offices in Hongkong, Canton, Macao and other ports in Kwangtung Province. On his return trip to Shanghai, in about a fortnight he will inspect the customs offices in the provinces of Fukien and Chekiang.

A sensational robbery occurred aboard the N. Y. K. liner *Kashimo Maru* while the vessel was travelling between Shanghai and Hongkong beginning of this month. The victim of the robbery was Mrs. M. S. Wood, proprietress of the "Jade Tree," and the value of the jewelry stolen approximates $20,000. Her husband is an employee of the Standard Oil Company. The stolen goods include one string of 83 matched pearls with a diamond clasp, set in platinum.

There are 425 Americans living in Tientsin, of whom 173 are men, 123 women, and 139 children, according to a compilation completed by the Tientsin American Consulate-General. These figures are exclusive of the U. S. military and naval forces in China. In Peiping 640 Americans reside, of whom 209 are men, 272 are women and 159 are children. There are 183 Americans living elsewhere in Hopei, making a total of 1,258 American residents in Hopei province.

The Head of a Suicide as a Token of Gambling Luck

A coolie arrested in the Bubbling Well district, Shanghai, a week ago, was found to be carrying the head of a corpse wrapped up in a parcel under his arm. At the Police Station he stated that he had been told by a woman friend that if he could get the head of a man who had committed suicide she would place it under her bed and in her dreams she could see the winning numbers of a gambling scheme he was interested in. The coolie's tale that he had cut the head from a man who had committed suicide was found by the Police to be true, the man having committed suicide because of losses in the same gambling game. The coolie and various participants of the scheme were sentenced in the District Court to terms of imprisonment varying from two months to two years, for desecrating a dead body.

Chinese Picture Agent Fined Fifty Dollars in "Test Case"

A test case was heard in the First District Court Jan. 14 when a publisher and news agent's attorney attempted to draw a line of discrimination between works of art and indecent pictures sold by peddlers of the city. The Court decided after going through a large number of art magazines, among which were "Screen Art," Screen Art Studio," and "Modern Miscellany" which consisted entirely of photographs in the nude, that the magazines had been publishing with no inclination towards immorality but rather were studies of beauty. However, as the publisher had been found to be in possession of old fashioned Chinese pictures in a multitude of colors that bore dubious meanings he was fined fifty dollars.

Hollywood's Midget Japanese Star Weighs 100 Pounds

The Columbia studio at Hollywood last month selected as a Wampas baby star Miss Toshia Mori, 19 year old girl of Los Angeles, "Little Tokio," daughter of a Japanese physician, Dr. Toshia Ichoka. Miss Mori was born in Kyoto, Japan, at the age of 10, and returned to Japan over five years ago. She attended dramatic schools and was also educated by tutors. She broke into Hollywood films last year in "Roar of the Dragon" and Columbia's "Bitter Tea of Gen Yen." She is five feet high and weighs 100 pounds.

University of Nanking Entertains Distinguished Visitors

The first semester at the University of Nanking closesd January 18, after a most successful session.

The China Famine Fund Committee has decided to turn over to the University of Nanking the remaining principal and interest of the famine funds for continuing the work in famine prevention. The University of Nanking has been co-operating with Yenching University for the past ten years in expenditures from this fund. The balance of approximately U. S. $600,000 is now being assigned to the University of Nanking and will be held by the Board of Founders of the University.

Dr. J. C. Ferguson has been visiting the University and a dinner was given for him by President Chen. Dr. Ferguson was the first president of the original Nanking University; Dean K. S. Sie, of the College of Agriculture, entertained at luncheon Signor Dragoni and Mr. Okenski, specialists in land tenure and highway construction, appointed by the League of Nations to co-operate with the National Government; Colonel G.C. Stroebe, of the Yangtze Conservancy Commission, returned for the holidays from a trip with the representatives of the National Flood Relief Commission which has been inspecting dykes along the Yangtze river. Colonel Stroebe left last week to go to Hankow to co-operate with the National Government in a project for rehabilitation in the flooded districts near Hankow; Dr. R. F. Park, formerly professor of sociology at the University of Chicago, visited the University and gave a lecture during the closing days of the semester.

A Christmas operetta, for which the words were written by Miss R. Mackenzie and Miss A. Hoffsommer and the music, in part, by Miss Sutherland, of the faculty of Ginling College, was given by students and members of the faculty on Christmas eve, and the performance was repeated on January 7th.

The Second Winter Institute for special training in crop improvement, conducted under the auspices of the Ministry of Industries with the co-operation of the Provincial Governments of Kiangsu and Chekiang was held at Nanking from November 28, 1932, to January 15, 1933.

The soccer football team of the University, coached by Tsu Shao-wu, University Director of Athletics, tied for first place in a series of intra-city games. The soccer team of the University Middle School won the middle school championship in East China.

Vice-Minister of Education Points Out Inconsistencies of Students

Despite the decision of the Students' Association not to take them, the National Tsing Hua University held the semi-annual examinations Jan. 11 according to schedule, but only one-third of the 900 students took the tests, the rest following the decision of the association by asking individual leave of absence on the ground that they are too busily occupied with patriotic activities to attend the examinations.

In an interview published in the Peiping press, Tuan Hsi-peng, vice-minister of education, stated that students "constitute the most precious elements of a nation." Their future responsibility was immense. At the time of the Japanese invasion in the Shanhaikwan area, it was reasonable to expect the ignorant masses to feel nervous, but it was shocking to hear that university students who had always boasted of their patriotic feelings were demanding the early closing of their schools and the suspension of the winter examinations. Previously, he pointed out, the same students had posted placards urging the people to insist that their government adopt a firm attitude. Yet they were the first ones to flee from Peiping, before the Japanese troops had even approached that area. Such behavior could only be interpreted as a sign of weakness on the part of Chinese youth.

New Passport System in Russia Causes Alarm

A new decree is being enforced throughout Soviet Russia commencing Jan. 15 establishing a passport system for all citizens. The object of it is said to be to rid the cities of "unsocial elements" and to regulate the supply of labor throughout Russia. The decree has caused much alarm and many families in the cities, fearing compulsory transfer to less desirable regions, are preparing to flee to places where they hope the decree may be carried out less stringently.

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In the United States Court for China

In re. Last Will & Testament of CARSON W. COX, Deceased	Cause No. 3502 Special Proceedings No. 808 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Crason W. Cox, deceased, to present the same with vouchers to the undersigned on or before July 15, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China,
January 5, 1933.

Vercia Pitts Cox,
Lubo, Ku.,
China.

Who's Who in China

Chow Sing-nan, financier and director of Public Works; born at Weiyang, Kwangtung, 1884; chief of Finance Bureau of the Headquarters of the Cantonese Generalissimo in South Fukien, 1916; chief of Public Works Bureau, Changchow, Fukien, 1918; director of the Changchow-Lungyen Public Roads Board and concurrently commissioner of Municipal Affairs, Amoy, 1920; chief of Bureau for Financing Military Expenditures, Changchow, and later, for Superintending the Raising of Military Funds in Ch'ouchow-Meihsien, 1922-23; engineering councillor to the Changchow-Amoy Naval Garrison Commander, Amoy, and presiding over the Embankment Works and Road Construction Boards since 1925; recently appointed Quarter-Master of the Amoy Staff-Office of the 19th Route Army and chief of Engineering Board of Military Roads; achievements: in Changchow, with a loan of $6,000 advanced by the local Chamber of Commerce, more than $2,000,000, were raised and spent on the following: complete reconstruction of roads throughout the whole city, building of bunds, market-halls, a concrete bridge, development and construction of Changchow-Shihma, Shihma-Haiteng, Haiteng-Pukong, Changchow-Nanching, Changchow-Poonan, and Changchow-Lungyen motor roads with a total length of over 200 Chinese *li*; promoting and organizing the Tingchow-Changchow-Lungyen See-Hsin Motor Bus Company, offering the first long-distance Omnibus service connecting Amoy with the interior districts; in Amoy: with $20,000 appropriation, more than $22,000,000 were raised and expended on a ten-thousand feet Bunding, 89 motor roads with 298,385 feet in length, reclamation and development of new areas of 17,000,000 sq. ft., a $800,000 Chungsan Park, a Chungsan Memorial Hospital, a House for the Care of the Aged, Experimental Farm for Agriculture and Forestry, a Motor Road encircling the whole island, and a Land Surveyance Board; projects under way: a 1,800 feet Bunding undertaken by the Netherlands Harbour Works Co. at an estimated cost of M$2,500,000, reclamation of a further 60,000,000 square feet area, including the filling up of the Yuen Tung Harbor to the North of Amoy with an area of 7,661,200 sq. ft., building of four more parks and other public institutions, completion of the South Fukien Road passing through Haiteng, Lungch'i, Nanching, Lungyen, and Chang-Ting Districts, a total distance of 605 Chinese *li* of which one-third has already been completed; address: Lu Cheng Pan Su Chu, Phah-Thih Jetty, Amoy.

Chow Sing-nan (Chow Hin-nan)

周醒南

周醒南，廣東惠陽人，生於一八八四年；歷任職務：民國五年，閩南粵軍總司令部財政局局長；民國七年，福建漳州工務局局長；民國九年，漳龍公路處坐辦兼廈門市政會會辦；民國十一年至十二年，漳州籌餉局局長；繼任潮梅籌餉總辦；民國十四年以來廈門漳廈警備司令部工程顧問並主理堤工路政兩處；近被任十九路軍駐廈辦事處主任及軍路工程處處長。既成事業：在漳州由本地商會借款六千元，籌款至二百餘萬元，舉辦下列各事，改造全市新式街路，建築堤岸，市場，水泥橋，開闢並完成漳碼，碼澄，澄浮，漳靖，漳南，漳龍，各汽車路，共二百餘里之長；贊助並創辦汀漳龍始興汽車公司，爲廈門及內地長途汽車交通之嚆矢；在廈門時，以二萬元之基金，共籌措支出二千二百餘萬元如下：一萬呎長之堤岸；八十九條馬路共二十九萬八千三百八十五呎之長；開闢一千七百餘萬方呎之新區；八十萬元工程之中山公園；中山紀念醫院；養老院；農林試驗場；瑯島馬路；及土地測量處。其在計劃中之事業：一千八百尺之堤岸，由嘴嘴冶港公司承辦，預算需費二百五十萬元；開闢約六千萬方尺之新區包括廈門北面七百六十六萬一千二百方呎；圍當港填築亦在內；建築四公園，及其他公共館舍；完成橫海澄，龍溪，南靖，龍岩及長汀五縣之閩南路，共六百零五里，已成三份之一。通訊處：廈門打鐵路頭路政辦事處。

New Books of Interest in the Far East

Imperialism and Insanity in Tibet

Twenty Years in Tibet, by David Macdonald, with a foreword by the Earl of Lytton; J.B. Lippincott Company, Philadelphia, U.S.A. Magic and Mystery in Tibet, by Madame Alexandra David-Neel, with an introduction by Dr. A. D'Arsonval; Claude Kendall, publisher, New York.

Few persons under present conditions will ever be able to see Tibet, the country, generally speaking, being closed to all save those who have the stamp of His British Majesty's approval, but the two books under review are, if read intelligently, a pretty fair substitute for a long and arduous journey to gaze upon a region afflicted with probably more filth, mental and physical, than any other land in the world with the possible exception of India. Certainly, due to the fact that the land is sparsely settled and entirely non-industrial, the Tibetans are not as undernourished as the Hindus, but, incredible as it may seem, they are more shackled by superstition. At least there are some enlightened Hindus; if there are any enlightened Tibetans this reviewer has not heard of them either in these two books or elsewhere.

Macdonald's book deals almost entirely with the course of British imperialism in India while Madame Neel gives intimate and sympathetic accounts of the psychopathis side of Tibetan life. Macdonald is an Eurasian of Scotch-Sikkimese ancestry, the Sikkimese being a group in India that is closely related to the Tibetans. He was the British Trade Agent in Tibet from 1905 to 1925 and was evidently an extremely efficient henchman of His British Majesty, his qualifications including the amazing linguistic array of Tibetan, Bengali, Bhutanese, Sikkimese, Lepcha, Hindi Nepali, and Mandarin Chinese.

Macdonald, of course, does not tell all; few agents of British imperialism ever do and, in fact, it was recently jevealed by the threat of the war ministry in London to call any officials who revealed war debt discussions in the cabinet that is a crime to betray the secrets of the Empire. But in Machonald's guarded volume one may trace the course of British policy in Tibet in considerable detail.

The first struggle in Tibet was between Great Britain and China, the latter having been from time immemorial the overlord of the land. Czarist Russia was also interested in Tibet and, as Macdonald charges, probably encouraged opposition to British aggression, but she never made an issue of the matter. Macdonald first went into Tibet with the British expedition to Lhasa in 1903-1904, which reached the "Forbidden City" over a fair amount of Tibetan opposition and caused the Dalai Lama to flee to Peking.

The Dalai Lama returned in 1909 and, according to Macdonald's version, was opposed by the Chinese because they feared he would throw off "the Chinese yoke." Much more likely, from events recorded by Macdonald himself, the Dalai Lama had been seen and secured by the British Legation in Peking, for when Chinese opposition to him became open in Lhasa he immediately fled toward India and was aided en route by Macdonald as British Trade Agent at Yatung. Macdonald protests several times that the British maintained "an attitude of strict neutrality between the Chinese and the Tibetans," but his own story belies this statement. The Dalai Lama was given refuge in British property and, as Macdonald says, the Chinese

did not dare to attack it. Later Macdonald admits he was instructed to give the Dalai Lama sanctuary, but subsequently when the Chinese were getting the worst of the war he refused sanctuary to a Chinese official. Still later another Chinese was given refuge, but shortly afterwards still another was refused asylum. Macdonald does not explain all this careful discrimination, but he does not need to if the reader is familiar with British ways.

The end of Chinese influences in Tibet came shortly after the 1911 revolution, and Macdonald admits supervising the negotiations whereby the Chinese were definitely ousted. One of the interesting reasons given why the Dalai Lama preferred the British to the Chinese is that he had been impressed by the fact "that wherever there were British people there was a church, and from this observation he concluded that they were a people who devoted much of their time to the pursuit of religion, and that therefore they and the Tibetans, who were a like-minded race, should always be in harmony." One the other hand, one of the main grievances the Tibetans "harbored against the Chinese was the latter's disregard of religion and their contemptuous treatment of sacred object in Tibet."

It is also of interest to note in the light of the recent Sino-Tibetan war in Sikong that Tibetan troops are constantly being trained by the British in India. However, Macdonald is pessimistic over British-Tibetan-Soviet relations, citing as "evidence of lessening friendliness between the Tibetans and British" the fact that Sovietized Mongols are "being received officially by the Dalai Lama's government." He also claims that a Buriat named Dorjieff, formerly an agent of the Czar in Tibet whom the British succeeded in having ousted, is now "high in the councils of the Bolsheviki." Regardless of the exact accuracy of these statements they are very significant, for since Tibet lies between India and the U.S.S.R. it is of vast importance in the constant struggle between His British Majesty and the Kremlin.

Aside from his details of British-Tibetan politics, Macdonald gives a depressing description of the Nyangto Kyiphu Hermitage where fanatics bury themselves alive for periods that range from three to 59 years, being fed through a crack in the wall and living in dark, unheated cells that are 12 feet square. As he points out, the monastery officials derive great revenue from pilgrims who flock there yearly because of the immured hermits, but Madame Neel takes such insane phenomena with all the pathetic seriousness of a western woman who has succumbed to Oriental mysticism.

Macdonald, incidentally, mentions meeting Madame Neel, who is French, and he pays high tribute to her physical prowess and her knowledge of the Tibetan language. Certainly she has seen a lot of strange things in Tibet, and it is a loss to the world that she was incapable of viewing them with intelligent skeptics and thus be able to throw more light on the psychopathic side of the sad specimens of humanity who go naked in snow, practice what she describes as "psychic sports," and chant "hum," "phat," and "aum," the latter being "the creative sound whose vibrations build the worlds!"

Those who practice "lum-gom," according to Madame Neel, become so light that they would float in the air if they did not weigh their bodies with iron chains. Selah! Well, one cannot call a lady a liar, but one can with profound pity suggest that she see her family alienist forthwith.

Further, one cannot but help wonder in reading these records of Tibet whether there are not in that high, remote land many who, consciously or sub-consciously, would not be ready to cast off their ridiculous superstitions and behead, or at least overthrow, their horde of dirty, parasitical lamas who comprise half or more of the males of the country. Certainly, what has happened in Russia, Mexico, and Spain in recent years has revealed that once the economic basis of superstition is weakened the masses are quite ready to adopt a freer, saner life.

But as long as Great Britain is the overlord of Tibet, the lamas will thrive, for it is the British policy never to interfere with native customs that can be utilized on a *quid pro quo* basis,—that is, in the case of Tibet, cooperating with and protecting the lamaist leeches in return for the strictly materialistic freedom of imperialistic penetration.

W. B.

4,000 Years of Chinese Medicine

History of Chinese Medicine: Being a Chronicle of Medical Happenings in China from Ancient Times to the Present Period, by Dr. K. Chimin Wong and Dr. Wu Lien-teh; The Tientsin Press, Ltd., Tientsin, China.

This bulky volume—consisting of more than 700 6½ by 9½ pages—is, so far as this reviewer is aware,

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the only complete history of Chinese medicine that has yet been written, and it has many of the defects of a pioneer work, the chief of which are awkward and involved presentation and a style that leaves much to be desired. The book, however, is obviously not designed for popular reading, but even for the medical profession its overwhelming mass of details—some of which, rightly or wrongly, appear to this non-medical reviewer as not being of very great importance—make it more of a reference work than a readable treatise.

The volume is divided into two books, the first of which, by Dr. Wong, deals with ancient Chinese medicine while the second, by Dr. Wu, describes the introduction of what he rather chauvinistically terms "so-called western medicine" into China. Of the two books the first is of undoubtedly of the most interest to a layman and also probably to a physician. For the highly detailed accounts of the beginning of this and that hospital, and the names of seemingly countless doctors cannot be called exactly thrilling reading from any viewpoint.

Dr. Wong's description of ancient Chinese medicine is exceedingly interesting, but it has a trace of rather curious chauvinism in it. It is true, as he points out, that classical Celestial *materia medica* contained a number of valuable drugs—such as kaolin, eumenol, chaulmoogra oil and ephedrine—which have only recently come to be known to western scientists, and it is also true that western medicine was as backward as Chinese medicine only a few years before China and the Occident came into intimate contact, but these facts should not be used to cloak the far more important point that by the time genuine intercourse was established between the East and West, western medicine had become *scientific* while Chinese medicine was distinctly *unscientific*.

The three ancient Chinese methods of treatment—acupuncture, that is puncturing certain points of the body with needles, moxa, which consisted of blistering the skin with burning mugwort, and massage—probably had some value, particularly massage, but they could not be said to be scientific. Similarly Chinese physicians may have been able to diagnose quite a lot from the pulse, even as modern doctors do, but most of the "doctrine of the pulse" can only be described as quackery. In this connection definition is highly important. The scientific method consists of constant experiment combined with skepticism, and progress step by step from certain fundamental discoveries such as, in medicine, Harvey's heart and circulation discovery and the discovery of microbes as the cause of most disease.

At the time China and the West established intimate contact, western medicine had adopted the scientific method while Chinese medicine was dogmatic and stratified with scarcely a trace of basic discovery, constant experiment, or skepticism. In medicine, as in so many other things, China was the equal of the West in the Middle Ages, but she had not progressed from there. There was no more development from what her physicians knew of the pulse, certain drugs, etc. than there was from the compass, printing from movable type, and gunpowder. In other words, China stopped at a certain point while the West went on because it grasped the scientific method. And modern medicine, like modern science generally, is "western" and not "so-called western." China has not yet caught up, much less gone ahead.

It is one of the many curious human anomalies that medicine, which is the negation of the superstitious and the supernatural, was associated in its beginning with religion in both China and the West, and in China to-day western medicine is still largely in connection with missionary work. Dr. Wu's book reads, in fact, almost like a missionary report in many of its chapters. But so it is, and so it will be in China until there is a government which can devote at least one percent as much for public health as it does for warfare. At the moment the outlook is not precisely bright; China's greatest hero—Dr. Sun Yat-sen—was a western-trained physician, and apparently a good one, but what he represented in this respect, as in other respects, is still sadly lacking although Dr. Wu concludes on a ringing note of optimism.

As has been indicated the general reader will not find the "History of Chinese Medicine" of any great interest, but it does contain considerable intriguing information that should receive wider publicity and is possible through such a volume. Chinese claims for diagnosis by the pulse, including, for example, whether a male or female child was imminent, could easily be set to music for a light opera. And it may slightly startle some readers, even as it did this reviewer, to learn that the operation incidental to making imperial eunuchs in the days of the empire was performed more thoroughly than might be supposed. W. B.

A Shadow Pantomime

The Tartar Slave, by Oscar Doyle Johnson. The Stratford Co. Boston, Mass.

It is to be feared that this work, which covers 377 pages, must be relegated to the list of those where the hero "enchanted her by his witty sallies," that are never communicated to the reader, or those "popular" films in which comedians are convulsed with laughter at jokes never divulged to the audience. The final paragraph from the author's pen gives a very fair idea:

"Her child came to her and pulling at her skirt, said innocently, "He promised to tell me more stories, Mama, (unrecorded,)..... Maria sank wearily into the bed, her hands folded limply in her lap as she answered: 'Forever Felipe. Only his art remains.'" R. C.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

Japan to Issue Bonds to Cover Huge Budget

The Japanese Finance Minister's speech to be made in the Diet on January 21 was completed Jan. 18 and was approved by the Finance Ministry authorities.

The Finance Minister will explain the budget for 1933-34, which will exceed Yen 2,230,000,000 by detailing the special expenditures in Manchuria, the fund for relief of farmers and smaller merchants and expenditure for improvement of military equipment. As the present situation in Japan will not permit the increase of revenue by means of increasing taxes, the Government has decided to meet the deficit by issuing public bonds, the Minister will say. As to the instability of foreign exchange, the Government will continue its control, since the Law for the Prevention of Flight of Capital is not sufficient.

The Government has decided to issue public bonds for Yen 200,000,000 on or about January 20 which will be wholly taken up by the Bank of Japan. The Finance Office authorities are to meet soon to decide the conditions and terms for the new bonds. The Bank of Japan desires to fix the rate of interest at 4.5 per cent.

Can Japan Defy World Opinion? "Manchester Guardian" Asks

"Can Japan defy world opinion?" the *Manchester Guardian* asked in an editorial Jan. 4. Discussing the threat of Japan's withdrawal from the League of Nations this Liberal organ pointed out that the terms of certain clauses of the League Covenant would make such a withdrawal inoperative for two years. Even if Japan ceased sending delegates to Geneva, remarks the *Guardian*, she would still be under the same obligations as now to the other members of the League. Finally, if the League publishes a report adopted by China and repudiated by Japan, China has the right two months thereafter to declare war on Japan and can command the aid of all other member Powers of the League. Concluding, the *Guardian* declares that Japan, from the economic viewpoint alone, if none other, is incapable of taking the lead since her financial situation is so precarious.

Heavy Drop in China's Customs Revenue

T. V. Soong, Minister of Finance, made public the following data of customs revenue collection in 1932, submitted to him by Sir Frederick W. Maze, Inspector-General of Customs:—

The Maritime Customs revenue for 1933 amounted in round figures to Hk. Tls. 200,239,000. This compares with Hk. Tls. 246,087,000 collected in 1931, and represents a decrease of Hk. Tls. 45,848,000.

The revenue contributed in 1932 by each category of duties to make up this total is as follows:

	Hk. Tls.
Import duties	165,301,000*
Export duties	19,008,000
Interport duties	13,191,000
Tonnage dues	2,739,000
	200,239,000

*CGU 139,849,000.

Of the total import duty collection assessed in terms of CGU and amounting to CGU 139,849,000 the amount of CGU 105,064,000 was collected in gold and the balance in silver according to ruling exchange rates.

Owing to the seizure of the Customs at Harbin, Lungchingtsun, Antung, Dairen and Newchwang by the so-called Manchukuo regime, the above statement does not include figures for the customs collection at these ports subsequent to the month of June, 1932. This seizure, which obtained throughout more than half of the year, reduced 1932 collections by about Hk. Tls. 15,000,000, and not even funds for loan service have been remitted out of subsequent collections.

The following table shows in round figures the collection for 1932 at the principal ports and the increase or decrease as compared with the figures for 1931.

Port.	Collection, 1932 Hk. Tls.	Increase Hk. Tls.	Decrease Hk. Tls.
Harbin	1,978,000*		3,311,000
Antung	1,817,000*		1,880,000
Dairen	7,138,000*		5,377,000
Newchwang	1,195,000*		2,604,000
Tientsin	25,096,000	1,666,000	
K'chow	15,563,000	4,090,000	
Hankow	8,201,000		1,370,000
Shanghai	92,181,000		32,988,000
Amoy	4,209,000		34,000
Swatow	5,725,000	302,000	
Canton	9,281,000		1,874,000
Kowloon	5,587,000	199,000	

*January to June only.

All foreign loan and indemnity obligations secured on the customs revenue, including the service of the Reorganisation Loan, have been met in full. The cost of the service of the above obligations was as follows:—

G. U. 38,815,996.06 (=Sh. Tls. 50,845,806.30) *plus* Sh. Tls. 19,746,701.84; or if calculated on an entirely silver basis, Sh. Tls. 70,592,508.14, as compared with Sh. Tls. 119,813,009.08 for 1931.

Provision was also made in full during the year for the service of all internal loans secured on the customs revenue. From the month of February, 1932, such provision, in accordance with the terms of the Government's Mandate of February 24, 1932, has taken the form of a fixed monthly payment of $8,600,000 from customs revenue to the account of the National Loans Sinking Fund Administrative Commission.

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1932-3 High	Low	Div.$ per Sh.	STOCKS	Mon. Jan. 16	Tues. Jan. 17
9⅛	1⅝	—	Adams Express	4¾	4⅛
88¼	42½	*6.00	Allied Chemical & Dye	84¾	85⅝
16⅝	4	—	Allis Chalmers	7	7¾
73⅞	29⅝	*4.00	American Can	58	58⅝
15	2	—	American & Foreign Power	6¾	6⅝
38½	5	—	American & Foreign Power 7% Pfd.	11	10⅝
10	1⅛	—	American Metal Co.	Unq.	Unq.
27¼	5⅛	—	American & Foreign Power Warr.	4⅝	4⅝
137⅝	70¼	9.00	American Smelting	123¾	133⅝
89¾	44	*5.00	American Telephone & Telegraph	104⅛	104⅞
84½	11	2.00	American Tobacco "B"	62	62¼
19⅝	3	—	American Waterworks	16½	16½
151⅝	28¾	*4.00	Anaconda Copper	7¼	7¼
21⅝	3¾	—	Auburn Automobiles	47¼	48¼
29⅝	7¼	—	Baltimore & Ohio	9½	9½
43⅛	20	*2.00	Bethlehem Steel	14¾	15
14¼	3⅝	—	Borden Company	24¼	24¼
20⅝	7¼	—	Borg Warner	8⅞	8⅝
65¾	16¾	—	Canadian Pacific Railway	13⅛	13
47⅞	19	2.00	Case, J. I.	44¼	45½
20¾	4⅞	2.00	Chase Bank	33¾	Unq.
21⅝	5	1.00	Chesapeake Corp.	15½	15⅝
21	4¼	1.00	Chrysler	14¼	14¼
5⅛	1⅝	—	Columbia Gas & Electric	16⅜	16½
1	1/16	—	Commonwealth & Southern	2½	2⅝
68¾	31½	4.00	" Warr.	7-16	⅜
9⅝	3⅝	—	Consolidated Gas of N. Y.	61½	61¾
55⅝	24¾	*3.00	Continental Oil	5⅝	6⅛
7⅝	1½	—	Corn Products	54	54
3¼	⅞	—	Coty Inc.	3⅞	3¾
18⅝	5	.75	Curtiss Wright Company	2	2
57	23	4.00	Douglas Aircraft	12	12⅜
59¾	22	2.00	Drug Incorporated	35½	35
87⅞	35¼	3.00	Du Pont de Nemours	38¾	39
48	5	6%S	Eastman Kodak	Unq.	58½
16	2¾	—	Electric Bond & Share	18⅜	18⅜
5⅞	1	—	Electric Power & Light	6¾	6¾
26⅛	8½	.40	Fox Film "A"	2	2¼
40½	19⅝	2.00	General Electric	15¼	15
24⅝	7⅝	1.00	General Foods	26½	26
28⅝	6½	1.00	General Motors	13⅛	13⅜
24¼	10⅜	1.00	General Railway Signal	16½	16⅛
20⅝	8¼	1.60	Gillette Safety Razor	18½	18¼
29¾	5½	—	Gold Dust	15⅛	15⅛
18⅜	3⅝	—	Goodyear Tire & Rubber	15¾	16
1⅝	½	—	International Cement	Unq.	8
34½	10⅜	1.20	International Com. Engine.	Unq.	Unq.
12½	3½	—	International Harvester	22⅝	23
15⅜	2⅝	—	International Nickel	7⅞	7⅞
33⅝	10	—	International Telephone & Telegraph	7¼	7¼
19¼	4⅞	—	Johns Manville	20¾	21
9⅛	1/32	—	Kennecott	8⅞	9
67¼	32½	*4.00	Kreuger & Toll	⅛	⅛
87⅜	13¼	*3.00	Liggett & Myers, "B"	58½	59⅜
18⅜	9	1.20	Loew's: Inc.	16¾	17⅞
11⅜	1½	—	Lorillard P. Co. (Com.)	12⅝	13
16½	3½	—	Ludlum Steel	Unq.	6
64½	23⅝	2.00	Montgomery Ward	13⅝	13⅞
10¼	2½	—	National City Bank (bid price)	43	43¼
26⅝	8¾	—	New York Central	18¼	18¼
43¼	13¾	10%	North American Company	29¼	29
37	16⅞	2.00	Pacific Gas & Electric	29	29¾
5¼	1½	—	Packard Motors	2⅛	2½
11½	1½	—	Paramount—Publix	2	1⅞
23⅜	6½	—	Pennsylvania Railroad	16⅝	17⅜
4⅝	1	—	Pennroad Corporation	1½	1½
8⅜	2	—	Phillips Petroleum	5¾	5⅝
60	28	3.20	Public Service of N. Jersey	53⅛	52¾
12½	2¼	—	Radio Corporation	5⅛	5⅛
7¾	1½	—	Radio-Keith Orpheum	2¾	2⅞
40¼	26½	3.00	Reynolds Tobacco "B"	32	32¼
37⅜	9⅞	—	Sears Roebuck	19⅝	20
8¾	2½	—	Shell Union	5⅛	4⅞
13¾	2¾	—	Simmons Company	6¾	7
12¼	5¼	.40	Socony-Vacuum Corp.	7⅜	7¼
32¾	15⅝	2.00	Southern California Edison	27¼	27⅝
34¼	7⅝	2.00	Standard Gas & Electric	14⅛	14¼
37⅜	19⅞	*1.00	Standard Oil of N. Jersey	30⅝	30⅝
18¼	9¼	1.00	Texas Corporation	13¾	13⅝
26¾	12	2.00	Texas Gulf Sulphur	24⅛	24¼
7⅛	2⅛	—	Trans America	5¼	5⅛
86⅝	15½	1.20	Union Carbide & Carbon	26⅞	26¾
94½	27⅝	6.00	Union Pacific Railway	73	73¾
34⅝	6½	—	United Aircraft & Trans.	25¾	26⅝
14	3½	.40	United Corporation	9	9⅛
22	9¼	1.20	United Gas Improvement	20	20¼
10¼	1¼	—	U. S. Rubber	4⅛	4⅛
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"Gold" vs. "U. S. Currency"

To the *Editor, The China Weekly Review.*

Referring to the editorial entitled "Will America Remain on the Gold Standard" on page 291 of the Jan. 14 issue of *The Review*, I wish to point out that the term "dollars, U.S. Currency" (instead of *gold*) has been current for over ten years—in fact if my memory serves me right it arose during the Great War.

BANK MANAGER.

Shanghai, Jan. 16, 1933.

Death for Those Who Disclose Military Secrets

In view of the present tense Sino-Japanese situation, stringent measures are being taken by the National Government to protect what are regarded as military secrets.

The Executive Yuan is promulgating a set of regulations threatening punishment to anyone either deliberately or indiscreetly giving out military national government information. The regulations provide for the following:

1. Those who divulge, pass on to any other person, or in any way make public military information, documents, maps and or other articles which they happen to know or possess in the course of their official duties, shall be punished by the death penalty or life imprisonment, Those attempting to commit these offences shall be punished by life imprisonment and those committing such offences indiscreetly shall be given at least five years' imprisonment.

2. Those who divulge any of the above-mentioned classes of information, which they have come to know through their own efforts, are punishable by the death penalty, or life imprisonment; those who divulge such information, not obtained through their own efforts, but which they know should be kept secret, are punishable by life imprisonment.

3. Those who seek military information by force or other illegitimate means shall suffer the death penalty or life imprisonment.

4. Those who attempt to obtain secret military information which it is not their business to know shall be punished with at least 10 years' imprisonment.

4. Those who venture into fortified areas, military harbors, military barracks, warships, military aviation fields and ammunition factories or depots shall be given one to seven years' imprisonment.

CUSTOMS NOTIFICATION No. 1270

The public is hereby notified that in accordance with Government instructions the Maritime Customs Station at Haichow (Kiangsu) will, as from 20th January, 1933, be under the jurisdiction of the Commissioner of Customs at Kiaochow.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 16th January, 1933.

The National City Bank of New York, Rates of Exchange

Shanghai, Jan. 18, 1933.

Demand selling rate on America:	U.S. $1.00=Sh. $5.0379
Demand buying rate on America:	U.S. $1.00=Sh. $4.9433
Demand selling rate on London:	£1.0.0=Sh. $16.942
Demand buying rate on London:	£1.0.0=Sh. $16.588

Branch of Overseas-Chinese Bank Opened in Shanghai

The Overseas-Chinese Banking Corporation, Ltd., a company incorporated in the Straits Settlements, has opened in Shanghai as successor to the Ho Hong Bank Ltd., as a result of an amalgamation scheme which provides for the taking over by the new corporation of the business, assets and liabilities of three leading Chinese banks in Singapore, the Ho Hong, Chinese Commercial and Overseas-Chinese banks. The new Corporation was registered in Singapore with an authorized capital of Straits Dollars 40,000,000 of which Straits Dollars 10,000,000 has been issued and fully paid up. The Shanghai branch is now managed by C. H. Wang.

Honan Province to Concentrate on Highway Construction

The Honan Provincial authorities are concentrating their attention this year on highway construction in the province in conformity with the program outlined at the recent Highway Conference in Hankow. According to an order from General Chiang Kai-shek, all roads in southern Honan under this program are to be built in six months. But in view of the large financial outlay necessary, it is feared that this would be difficult without assistance from the Central Government. A special office has been established at Loshan, southern Honan, to direct the road-construction work.

Traffic Opened on Paotao-Ninghsia Railways

Traffic on the newly constructed Paotao-Ninghsia Highway was inaugurated Jan 8. The road is roughly a continuation of the Peiping-Suiyuan Railway, which terminates at Paotow. Travelling westwards to Wuyuan, at the Great Bend of the Yellow River, which area has been set aside by the Ministry of Industry for the creation of a model reclamation district, it turns southwestward to Ninghsia city (Tsanlan), capital of Ninghsia province.

Italian Marine Dies of His Wounds at Chinchow

The Italian marine, who was fired at and severely wounded by Chinese troops on January 12 while proceeding from Shanhaikwan to Chinwangtao with three fellow marines and later was rushed to the Italian marine barracks for medical treatment, succumbed to his wounds the following day at 2 p.m. at Chinchow. A protest is being lodged by the Italian authorities with the Chinese authorities concerned.

Nanking Orders an Investigation of Russians

The Ministry of Foreign Affairs, in identic telegrams to all provincial and Muncipal authorities, Jan. 15, instructed that investigations be made into the condition of Russian residents in this country, both Soviet citizens and "Whites." A report is required as to the number in each locality, their living conditions, professions or trades, etc.

Nanking May Levy a Luxury Tax

A Nanking message states the levying of a luxury tax is being considered by the Central Government. In view of the national crisis, many members of the Central Executive Committee and the Legislative Yuan are of opinion that a luxury tax should be imposed so as to discourage the public from indulging in frivolous extravagance.

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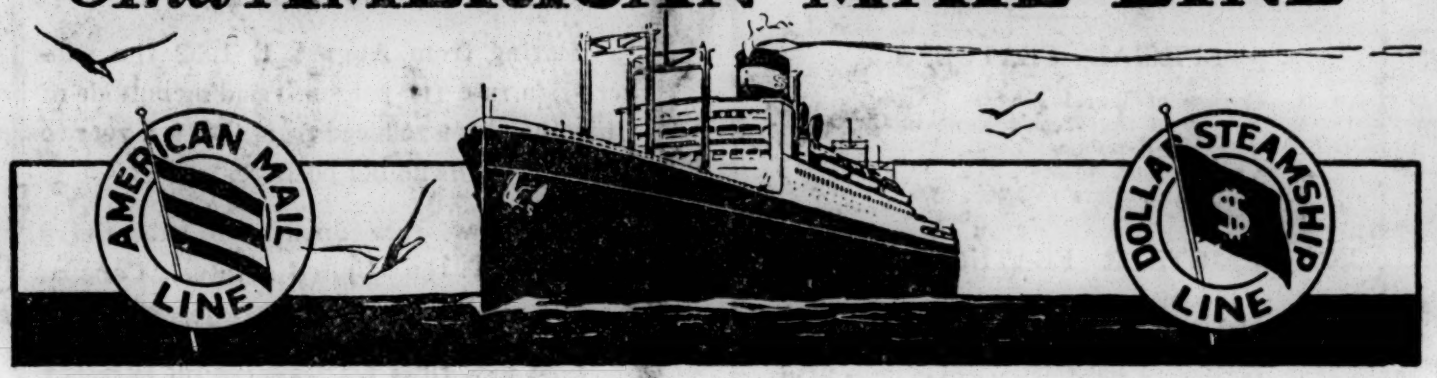

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